

Willis condemns market share trade unionism

By Philip Bassett, Labour Editor

MARKET SHARE trade unionism, with individual unions competing directly with each other for a larger share of a dwindling overall union membership, cannot be the way forward for unions in Britain, Mr Norman Willis, TUC general secretary, said yesterday.

Mr Willis' remarks, to the Wales TUC meeting in Llandudno, are a direct rebuff of the increasingly sharp inter-union conflicts for members which were seen at their most acute in the Ford Dundee affair.

The TGWU transport and AEU engineering workers' unions, were the two unions principally involved in the row over Ford's single-union deal with the AEU for its proposed plant at Dundee. The row led Ford eventually to abandon its plans for the plant. The two unions agreed privately not to raise the Dundee issue at this week's conference.

Mr Willis said that Dundee starkly illustrated the problems facing the TUC, but said he wanted to reach beyond the "heroes and villains" of Dundee

to what he said was the widespread feeling that the unions should do something to ensure that they never again find themselves in such a position.

He was speaking in advance of a key meeting next month of the TUC's review body on union behaviour and such issues as single-union deals.

He said employers could play one union off against another at the expense of the workforce. Inter-union competition could be healthy, acting as a spur to recruitment and the development of services for members, but the unions had to find a process to regulate excess competition between themselves.

He said: "Competition for members can turn from being a healthy force for growth into an ugly disease eating into the well-being of the movement as a whole, if the cynical values of the unregulated market-place take hold."

In a reference to the beauty contests before employers to obtain single-union agreements,

he said that ruthless competitive underbidding, on standards or conditions, setting one union against another, would weaken the trade union movement as a whole.

Competition could deliberately magnify differences at the expense of common purpose: "Market share trade unionism, with individual unions only motivated by getting a bigger share of an ever-diminishing total membership, is not and cannot be the way forward for the movement as a whole."

Warning that unions had to move into the "heartlands of non-unionism," Mr Willis said unions had to be careful that they did not become marginalised.

● Sharp criticism of the Government's £1.4bn Employment Training scheme for the adult unemployed was voiced at the Wales TUC yesterday, but because of forthcoming meetings with ministers on the scheme the conference held back from agreeing not to co-operate with the scheme.

Permanent deals for Weetabix casual staff

By John Gapper, Labour Staff

WEETABIX, the breakfast cereal manufacturer, has started hiring seasonal staff on permanent rather than temporary contracts in an effort to attract a sufficient number of the right quality in an area of below-average unemployment.

The move, which has been welcomed by Usdaw, the shopworkers' union, runs against trends within the labour market towards greater flexibility of staff and an increased use by many companies of temporary and contract labour.

Weetabix has hired about 50 process workers on three-month contracts for the summer over the past five years, but this year decided to offer the same number permanent positions at its factory in Retford, Nottingham.

Mr Terry Briggs, managing and resources director, said the company had decided that it was worth hiring staff seasonally on permanent contracts because it had previously taken on most of its temporary staff at the end of the contracts.

He said the rate of unemployment in the area was about 8 per cent, and the company had found it difficult to attract high quality staff to cover seasonal shortages when offering only temporary contracts.

Weetabix, which recognises Usdaw, took the decision independently of the union. It was welcomed during Usdaw's annual meeting last week as an example of an employer providing better terms and conditions for staff.

Shortfall in scientific skills 'not general'

By Charles Leadbeater, Labour Correspondent

THE SHORTFALL in the numbers of scientists and professional engineers is well below that of skills shortages in the 1970s, and most shortages are specific to particular groups, companies and locations, according to a report published yesterday.

The report by Income Data Services, into pay, recruitment, training and skill shortages among engineers and scientists, says most companies face particular difficulties, which are not necessarily generally experienced.

The most frequently mentioned shortages are of electronic and electrical engineers, manufacturing systems engineers and designers, with skills specific to particular industries.

These engineers are often vital

to a company's future development.

Employers in the South-east report more difficulties than those elsewhere.

The report says this is inextricably linked to the high cost of housing in the area, which creates an enormous obstacle to recruitment from outside the region.

The supply of young trainees has been constrained by the declining number of 18-year-olds, a shortage of teachers in key 'A' level subjects, too few students being attracted into engineering courses, and "poaching" of engineering graduates by unrelated industries such as financial services.

There are no generalised shortages among scientists, but

intense competition for specialists, such as those in fibre optics or biochemistry.

The report identifies several responses companies have adopted to deal with these shortages.

Salary structures have been changed to give employers greater room for manoeuvre, particularly by increasing maximum scale points, to allow specialists to be paid more.

There has also been a move to market premium and merit related pay, to allow companies to recruit and retain key staff without disrupting established salary structures.

Among longer term strategies there is a growing trend for companies to form links with polytechnics and universities to in-

duce courses and to offer sponsorship to students.

The report says there is some evidence that more employers are investing more heavily in training to update and upgrade the skills of their workforce.

The report says one underlying problem is that pay for professional engineers and scientists compares unfavourably with other managerial groups.

Government figures show for instance that marketing and sales managers are on average paid £369 per week, whereas engineers and scientists are paid about £267 per week.

IDS Study 408, *Engineers and Scientists Pay*, is available from IDS, 193 St John Street, London EC1V 4LS, by subscription.

BBC graduate engineers scheme 'good solution'

By Charles Leadbeater

THE BBC's strategy of turning arts graduates into engineers, which has entered its third year, could be an outstanding example of how companies could combat skill shortages among key groups of technical staff, according to a report published yesterday.

The report on the scheme by Income Data Services, the industrial relations research company, says the scheme seems to have been successful in providing the corporation with a much needed alternative source of engineers.

The corporation receives more than 1,000 applications a year from arts graduates for special engineering training conversion courses.

The basic requirements the

corporation needs are 'O' levels in mathematics, physics and English language. In addition it examines four factors.

● The applicants' personality, in particular whether they have an inquiring mind. Applicants are also screened for their ability to take and give orders.

● The potential trainees have to show a high level of motivation: the corporation is particularly interested in trainees who feel they made the wrong choice of course at university.

● Technical awareness has to be displayed through hobbies or other interests.

● The trainee has to show strong evidence of being a rapid learner.

Equal pay laws 'leading to revised pay structures'

By John Gapper

LEGISLATION guaranteeing equal pay for work of equal value is "slowly but increasingly" leading to negotiations on revised pay structures, and the introduction of job evaluation schemes, according to a recent report.

Despite the backlog of claims which have built up as judgments are awaited in test cases, the report by Industrial Relations Services, a pay research group, finds that very few claims are being settled out of court.

It says some unions are likely to use mass tribunal applications as back-up weapons in attempts to negotiate revised pay structures, following the example of claims by NHS speech therapists. Equal value principles are said

to have been taken into account in reviewing pay structures.

The report says a new job evaluation scheme was jointly devised by management and union representatives at the charity Save The Children after the system devised by Hay-MSL, the management consultants, was deemed unsuitable.

New pay structure and job evaluation schemes are still in their early stages. A new grading structure is to be implemented in the lace-making industry later this year following a job evaluation exercise.

Pay and Benefits Bulletin 207: Industrial Relations Services, 18-20 Highbury Place, London N5 1QP. By subscription.

Lloyds Bank to pay rejected 7% rise

By Our Labour Staff

LLOYDS BANK is to increase the salaries of its clerical staff by 7 per cent this month despite the rejection of the offer by one of the unions it recognises. The bank will continue negotiations over the settlement.

Lloyds said yesterday that the payment of the increase did not mean that a settlement was being

imposed in the way that a 5 per cent deal was imposed last year in three major clearing banks — a move which led to industrial action.

It said negotiations would continue with its in-house union. The union's members balloted against acceptance of the offer after leaders argued that it did

not compare favourably with settlements at Barclays and National Westminster.

The settlement was accepted by 13,000 members of the Banking, Insurance and Finance Union, but rejected by colleagues in the Lloyds Bank Group Staff Union.

ICI — keeping up the momentum of change.

*Extracts from ICI Chairman
Denys Henderson's address at the
Annual General Meeting
of Imperial Chemical Industries PLC
on 29th April 1988*

The last twelve months seem to have flown by — probably because they have been packed with positive, successful actions.

This morning I want to concentrate on three themes. First, our very considerable financial success and trading progress in 1987. Second, the initiatives we have taken to keep up the momentum of change and ensure future profitable growth. Third, the longer term outlook for ICI, which I believe to be encouraging.

Our achievements in 1987 were outstanding: sales, 10% up on 1986; profits, 29% up; earnings per share, 23% up; and to match this level of success and underline our confidence in the future, we increased the dividend by 5 pence.

I want to emphasise as strongly as I can the contribution of individual ICI employees: No one is unimportant. Every one counts in the success of our worldwide enterprise.

1987 — A success story.

For the seventh successive year, pharmaceuticals profits increased and sales continued to move ahead, particularly in the USA and Japan.

The paints business achieved a trading profit of £92m — almost double the previous year's result. Glidden — our 1986 acquisition in the USA — with its first complete year's contribution was a major factor in the profits increase. We are now the world's leading paints supplier.

Pharmaceuticals and paints together account for profits of about £400m. We also have another group of exciting consumer and specialty product businesses, including polyurethanes, colours, specialty chemicals, plastics films and advanced materials. In 1987 their contribution was £176m, which adds significantly to the Group's much improved robustness.

General chemicals, petrochemicals and plastics each had an excellent year, and with an overall 35% increase in profits amply repaid our faith in them in the difficult early years of this decade.

The agrochemicals and plant breeding business almost doubled its profit, despite the very mixed state of world agriculture, and the fertilizer business overall has been brought close to break-even.

In all our markets, success comes from satisfying our customers' needs with the right product, at the right price, attractively packaged, outstanding in quality and delivered on time. The 1987 results showed that we did just that and I am happy to pay tribute to the whole ICI team which achieved that success and also to our very important, go-ahead customers. Long may they continue to thrive!

Fulfilling the promise.

Last year I promised that we would keep up the momentum of change. I'd now like to tell you what we have been doing to implement that promise.

First, we purchased the Stauffer Chemical company. Our objective was to obtain the Stauffer agrochemicals business, but we sold on rapidly and at worthwhile prices the major remaining Stauffer businesses which did not have strategic relevance to our US operation. All of this was achieved within months at what we believe is a very satisfactory net price, and so we now have the third largest agrochemicals business in the world.

We put together our UK based fertilizers, fibres, petrochemicals and plastics and general chemicals businesses to form ICI Chemicals and Polymers. It has now been made into a 100% UK subsidiary and has had an extremely successful year. In addition our oil business was merged with Enterprise Oil Company.

As part of the re-shaping process, we withdrew from petrochemicals in the USA. Hence, we are now out of heavy chemicals manufacture with no exposure to any cyclical downturn in future years in those commodity products in the USA.

To reinforce our position as one of the largest seed companies in the world, we acquired the European Sugar Beet Seeds business, SES, in Belgium and we also bought the cereal breeding assets of the UK seed company, Milln Marsters.

In Japan, where we have major ambitions, we have been expanding the base of our operations. In early autumn we opened a new, 100% owned pharmaceuticals plant, an Agrochemicals Field Station and a Technical Centre which will bring us closer to our Japanese customers.

Global strategies.

By any standards, the 1987 list is a very considerable series of initiatives. The businesses we have acquired have all been identified as part of clear global strategies. They have a close fit with our science base and we shall add value to them with our worldwide production and marketing skills. Indeed, both they and the divestments we have made, are integral parts of our strategy to re-shape ICI's business. And we are still keeping up that momentum.

The economic climate.

Clearly, there are a number of problems with some aspects of the current economic scene. For example, prospects for the US economy in a year of Presidential Election, the impact of exchange rate volatility and the continuing nervousness of World Financial Markets in the aftermath of last October's crash.

We feel strongly that at current levels our shares are undervalued, and there are well-regarded analysts, both in London and New York, who share that point of view.

Although there may be uncertainties about the US economy we do not expect any major immediate impact in consequence. We now generate sales in the USA at the annual rate of \$5.5bn and are extremely well placed to participate in future growth. ICI must be part of this enormous, dynamic and sophisticated market.

Any international business or major exporter must prefer stable exchange rates and a competitive pound. Sudden shifts in currency values create uncertainty and can distort what is actually happening to the business in the countries where we manufacture and sell. Nevertheless, volatile exchange rates are part of the real world in which we have to compete — but if they temporarily fluctuate it does not imply that our business strategies require immediate alteration.

First quarter results — 1988.

As we progress through 1988, industrial production is still advancing in the major economies. The UK is healthier than it has been for years with good growth, relatively low inflation and greater commitment to enterprise and economic success.

Even if the stock markets appear more than usually uncertain, the business world does not appear to reflect that in its current rate of activity. In our own case, the first quarter results have got us off to a good start. I am particularly encouraged by an excellent contribution from Stauffer. However, there is still a long way to go in a year of growing economic uncertainty. Demand for ICI products is currently reasonably firm but I expect considerable attention to continue to focus on the strength of sterling and its inevitable impact on the competitiveness of UK exports.

The strategic outlook.

We are taking decisions today which our successors will inherit. In the 1960's, the ICI Board took a clear decision to move into Europe, where today we have sales of £2.7bn. A similar decision was taken about growth in the USA in the early 70's, with great benefits today. And now we must strive for better growth in the fast expanding Asia/Pacific region.

Overall, the strategic outlook for ICI is excellent because we are already well established in the world's major markets. In round terms, 25% of our business is in the UK, 25% in Continental Europe, 27% in North America and 23% in other parts of the world.

The scale of our international development is necessary and inevitable but the UK is the heartland of our research and technological expertise and a high proportion of our productive assets are located here. There is no question but that the skill base of our British operations is of immense importance to the Group now and for the future.

Additionally, we are financially strong and we have taken a prudent line on borrowings to fund our acquisition programme. At the time of the Stauffer acquisition, there was a suggestion that we might be stretching ourselves unduly. Well, we are always prepared to extend temporarily our gearing for a major acquisition, but not to acquire at all costs and not if we feel the ICI balance sheet in the longer term would not be strong. In making that judgement, we also need to retain the ability to invest in our strong existing businesses with good organic growth prospects, and in new developments for the future.

Much depends on the quality of ICI employees and I firmly believe that our track record here speaks for itself, attracting the best people in the UK and indeed around the world.

The combination of proven success in the market place today, continued activity to prepare for success tomorrow, and clearly defined international strategies, makes ICI a world class business for all seasons. Whatever the short term perturbations, quality will undoubtedly prevail.



World Class

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A bad bill on US trade

THE TRADE BILL passed by the US Senate this week is a bad piece of legislation. Although it is considerably more moderate than at first conceived, the best course now would be for the President to veto the bill, for the veto to be upheld and for the new Congress to return to the subject after the November elections.

The bill formalises the introduction into US trade policy of systematic procedures to investigate the trade practices of other countries and to force the opening of markets under the threat of sanctions. Thus there would be a strengthening of bilateral pressure from the US which, however successful it might be in the short term, would be dangerously counter-productive in the long term. It would increase anti-Americanism and make liberalisation appear as a costly concession to others, rather than as part of a multilateral trading system from which all countries benefit.

The bill targets countries in strong trade surplus such as Japan, industries such as telecommunications and specific areas of trade policy such as government purchasing and the protection of intellectual property rights. If it becomes law, it is bound to heighten tensions in the trading system as a whole.

To many of the Congressmen who wrote the bill and to the businessmen who have been lobbying for it criticism such as this seems misplaced. They point out that the bill is not protectionist in the sense of restraining exports. It contains little, if anything, that is a prime facie infringement of the General Agreement on Tariffs and Trade. The sanctions it proposes are still hedged around with exemptions and waivers, even though the way available to the Administration in this respect is less than under present law.

These are not, however, arguments of particular comfort to America's trading partners. They are rightly worried that the US is assuming a unilateral right to decide when and how trade agreements have been broken and that the chances of their being able to avoid US sanctions are smaller than before.

It may be that some US actions under the bill will eventually be challenged successfully in the GATT, an institution that traditionally scrutinises the implementation of trade law rather than its actual content. Meanwhile the bill mandated by the legislation is misguided because it tends to diminish rather than enhance the importance of the GATT as an organisation dedicated to the resolution of trade problems through multilateral co-operation.

It could also rebound against

the US by lessening the chances of international economic co-operation. Some trading powers may feel tempted to make matters worse by seeking to apply the same medicine to the US. The European Community, for example, already keeps a long list of what it regards as US impediments to trade.

The Reagan Administration has promised to veto the legislation, not because it particularly dislikes the provisions on trade but because of a clause – hardly the most damaging element in the bill – requiring all but the smallest companies to give 60 days advance warning of impending plant closures and lay-offs. The House of Representatives should be able easily to override such a veto, but it could be sustained in the Senate unless four of the 36 senators who voted against the bill on Wednesday can be persuaded to change their minds.

The prospect that the bill might be killed as a result of the plant closing provision is of little consolation to the international community. The risk is that some of the truly protectionist measures originally to the bill might be reinstated in subsequent debates on trade legislation.

The choice between allowing the bill to proceed in something like its present form and starting afresh next year is by no means clear-cut. There are those who argue that the bill will not do much damage to trade beyond that inherent in existing US law, that it will allow Congressmen to claim to have "done something" about trade and that the breathing space thus created will give the exchange rate shifts time to work through. Against that, the bill will last long after the present trade crisis has passed, and it comes at a time when there is supposed to be a standstill on protection among the parties to the Uruguay Round of trade negotiations.

The Trade Bill represents a perfect expression of the US view that if things are going badly it must be because others are acting unfairly. There is no evidence that the US trade deficit is caused by unfair practices abroad. It is true that the US needs to have negotiating authority for the Uruguay Round and that this bill provides it. But it might not be a bad thing if that authority had to be sought by the next Administration, so committing it to the negotiations: the delay would not be very great.

In short, even though the bill is as nearly as bad as it might have been and no doubt the rest of the world could live with it, it is still objectionable in many respects and potentially damaging to the world trading system.

Q: IS THE new regulatory structure fully in place?

A: No, there are lots of loose ends. Many rules will come into effect only over the next eight months and one of the most radical – the disclosure of commissions by life insurance companies – will take effect only in January, 1990.

Also, nearly half the investment businesses that have applied for authorisation by a self-regulatory organisation (SRO) have not yet had their applications fully processed and have been given the status of interim authorisation. The process of weeding out the more dubious, crooked or incompetent investment firms has barely begun. Even those firms which have been rejected – in secret – for failing the "fit and proper" test will be allowed to continue as interim authorised firms until the appeals procedure has been exhausted, which may not be before the end of this year.

Q: How great are the risks for the small investor during this transitional period?

A: The investor should not assume when dealing with an interim-authorised firm that the protection afforded by the system is substantially greater than it was under the old regime. In some respects the risks might be greater. Some firms which face rejection may try to extract as much money as possible from their clients before they are shut down. Although the Securities and Investments Board, the chief regulatory body, has far-reaching powers of intervention against such firms, some of the smaller miscreants may not be spotted in time.

Another risk is to investors who have bought non-Stock Exchange listed shares from fringe securities firms which may now be closed down, causing the informal markets in those shares to dry up. If the underlying companies are profitable, investors should still be able to find buyers for their shares, albeit with greater difficulty. The real risk is that the shares will turn out to be almost worthless.

The greatest embarrassment for the Government and regulators will come if a firm of any significant size becomes insolvent between now and August when the investors' compensation scheme is due to come into effect. Until then, the claims of such firms are at risk of losing their money.

Q: To whom should the investor turn if he suspects sharp practice or has a complaint?

A: If the investor is at all suspicious of a firm, he should consult the SIB's on-line register of authorised firms before parting with any money, either by contacting the SIB directly or by using a friend's services. The investor should check whether the firm has full authorisation to conduct the relevant line of business.

If the investor has a complaint about an authorised firm, he should go first to the firm itself and then to the firm's SRO. The investor can allow the SRO to investigate the complaint itself or he can submit it to the independent ombudsman or arbitrator attached to the SRO.

Q: Aren't all the regulations and procedures too long and complicated for anyone to understand, let alone the small investor?

A: Fortunately the small investor does not need to understand the detailed rulebooks of the SROs, any more than he needs to master the technicalities of the Theft Act to know when he has been robbed. The SIB has published a booklet, available free of charge on request, called Investors' Rights under the Financial Services Act, which explains simply the main rules and structure of the new system.

Q: Is the private investor and saver going to end up paying a lot more for

Clive Wolman answers questions on Britain's new investor protection system which came into force yesterday



Still risks despite the rule books

financial services to cover the heavy costs of running the new system?

A: No one has been able to judge how much the new system is going to cost. Many of the changes, particularly those related to structures designed to avoid conflicts of interest and to record keeping, accounting systems and capital controls, would – or should – have been introduced anyway for sound commercial reasons. It is also difficult to predict now whether the new system will impose any further costs by restricting competition or product innovation. The most widely accepted estimate seems to be at least £100m per year in direct costs. But this is only a small amount of money, compared for example, with the £180m a year that is paid in life insurance premiums.

It will be difficult at least at present for most firms to pass on any additional costs to the customer. Price rises are not a wise commercial policy to follow in a period when most of the financial services industry is suffering from chronic over-capacity. The new tougher rules on disclosure, particularly in the field of unit trusts and life insurance, should have the effect of making customers more price sensitive and more able to detect previously covert methods of charging.

Q: Will the costs of the new system end up driving many small firms out of business, particularly the smaller stockbrokers and insurance brokers?

A: The introduction of the new system has already had the effect of speeding up mergers and the trend towards scale and consolidation in these industries. But such developments would probably have occurred anyway as a result of the influx of foreign banks, insurance companies and capital into the UK market prompted by the Stock Exchange's Big Bang reforms and the moves toward the European Community integration and liberalisation.

In some respects, the new regulations will favour the smaller operators by insisting on strict compartmentalisation – "Chinese walls" – between the departments of the large financial service conglomerates. It may also become easier for a new "fit and proper" entrant to win business, as the system will give its prospective customers a guarantee that their investments with the firm will be secure.

But the regulations have undoubtedly made life more difficult for the small insurance brokers and financial consultants. The fees for joining an SRO alone often amount to more than one per cent of turnover.

Some believe that in 10 years most of these small independent financial advisers, which number more than 10,000 at present, will have disappeared and most independent financial advice will be offered on a fee-paying basis through the banks, building societies and other large financial institutions.

Q: Do such developments mean a reduction to the competition between investment firms?

A: Not necessarily. The new regulations will alter the basis on which firms compete. But if they succeed in enhancing the ability of small investors to compare the services of different firms and their awareness of the different investment possibilities, it may strengthen and intensify competition.

Greater concentration in the financial advice industry may in any case prove a positive development. The banks and building societies, with their reputations at stake, should provide a better guarantee of quality than many, but by no means all, of the smaller firms. Such firms' advice to clients has long been characterised by their lack of understanding of many investment media. It has also been driven, in many cases, by the large commissions paid for finding a way of inserting a life insurance policy into every piece of financial planning.

One consequence of the new rules, in particular the provisions for commissions disclosure, will be to encourage the development of professional fee-based financial advice by many of these smaller firms.

Q: Are any of the international banks likely to relocate outside the UK because of the costs and restrictions imposed by the new system?

A: One of the main reasons behind London's growth as an international banking and Eurobond issuing centre in the 1960s and 1970s was because of its much lighter and more flexible regulatory structure – and tax rules – compared with those of the US.

For the last three years, the international banks in London have protested that the new regulatory regime would force them to Luxembourg or elsewhere in Europe. As a result of their lobbying, many of the provisions affecting international professional dealers and issuers of securities have been been lightened. The burden will be lightened further if the SIB can persuade overseas regulators to exchange information with them on the capital backing of foreign banks with UK branches conducting investment business.

But the amount of paperwork arising from purely inter-professional transactions that are being demanded by the regulators remains excessive, the banks claim, and the SIB and the Securities Association are under pressure to find ways of reducing it.

Q: Have we ended up with a system of self-regulation or of statutory regulation similar to that in the US – and does it matter?

A: As in the US, the UK has ended up with a subtle but complicated mixture of self and statutory regulation. Self-regulation applies to the extent that practitioners have majority representation on the boards of the SROs and the SIB.

These organisations are also being financed by levies on investment firms, in contrast to the Securities and Exchange Commission in the US which is financed out of general taxation. The UK system thus puts an additional cost burden on City and other investment firms.

The danger is that the SROs will act more like trade associations than consumer protection agencies. For example, this week the Government forced independent brokers and advisers to disclose to their customers the commission that they earn from recommending particular life insurance policies. But the official response of the Financial Intermediaries, Managers and Brokers Regulatory Association, the SRO which covers the brokers, sounded as though it might have come from BIMA, the industry's trade association. Lord Elton, FIMBRA's chairman, said: "Members can see no justification for commission disclosure, arguing that it confuses investors rather than helping them arrive at a reasoned decision." The FIMBRA statement claimed that investors "may also believe that the best policy is the one with the lowest commission, and ignore more important criteria, such as investment performance and overall expense."

Doubts must now be raised about FIMBRA's willingness to draw up and enforce detailed rules for commission disclosure so that smooth-talking salesmen will not be able to sidestep them. The other danger is that the SROs will enforce codes of conduct dictated by their largest members and use them to keep out new entrants with a different approach.

The main safeguard against such dangers is the powers given to the SIB to override an SRO. Although the internal morale and prestige of the SIB suffered when the Government decided to remove Sir Kenneth Berrill as chairman at the end of May, its new chairman, the Bank of England director Mr David Walker, is unlikely to be a push-over for the SROs.

Overall, has the transformation of the UK financial services sector benefited the small investor? The new regulatory regime is bringing far greater transparency to the sales of life insurance and unit trusts and less opportunities for taking unfair advantage of the investor. It is also bringing under control for the first time commodities and futures broking and dealing firms and greatly improving the regulation of non-Stock Exchange securities dealers. For clients of stockbrokers, the benefits are smaller and will be overshadowed by the cut in dealing costs when the new automatic execution facility and settlement system comes into effect over the next two years.

Man in the News

John Major

The rising star of the New Britain meritocracy

By Peter Riddell



JOHN MAJOR, the Chief Secretary to the Treasury, could be forgiven for looking somewhat distracted on Tuesday when piloting the second reading of the finance bill through the Commons. After a characteristically combative speech, he only had time to listen to the front-bench contributions and to be wiser engaged in discussing the £100m concession on housing benefits announced the following day.

These days, Mr Major is at the centre of most of the Government's politically sensitive activities – negotiating the renegotiations on the community charge rebate and the nurses' pay award, and as a member of the health service review team. Part of this comes with the job of supervising public spending, but Mr Major has an added interest – as the coming man of the Cabinet.

After four years as a whip and social security minister, when his abilities were recognised mainly by Westminster insiders, in the last few months Mr Major has become a fashionable figure. He has been publicly praised by both Mrs Thatcher and Mr Nigel Lawson, Chancellor of the Exchequer, and has featured in several flattering profiles which have not found anything unfavourable to say about him. He has even been singled out by Mr Norman Tebbit, the new conscience of the Conservative Party, as his type of politician.

Such praise is dangerous for any minister. It attracts envy and criticism. Mr Gordon Brown, Labour's Shadow Chief Secretary, caustically noted in Tuesday's debate that Mr Major had been "marked out as the Cabinet's fastest-rising star since the Social Services Secretary" (the now beleaguered Mr John Moore). Yet, despite superficial similarities of background with Moore, Mr Major is far from being the new rising hope of the Thatcherites. He is respected by the traditional One Nation Tories as well.

Admittedly, his career can be seen as an epitome of the new Britain. Born when his father was a one time trapeze artist and US baseball player – was 66, he

grew up in two rooms in Brixton in south London. Leaving school at 16 he worked in an insurance company, as a labourer, was unemployed and then joined Standard Chartered Bank, where he worked closely with Lord Barber, the former Conservative Chancellor. From his teens he was always a Tory, speaking from a local soap-box.

Mr Major stresses the importance of these early experiences, yet it has not made him harsh or uncaring. Having seen problems from the other side of the fence, he understands the frustrations and intense dislike of bureaucracy of those at the bottom of the heap.

"I do not care a hoot about the fat cats, the extremely able. What I am concerned about are the

chaps who work hard and haven't quite made it – who feel trapped." That is why he backs not only cuts in taxes but also efforts to increase owner-occupation, rented housing and more choice to education.

His outlook is unashamedly meritocratic. He says how much he dislikes the blue/white collar divide. By far the most important advance he sees since 1979, both in the Conservative Party and in the country as a whole, is the increased mobility of opportunity – the meritocrats have replaced the aristocrats.

This puts Mr Major clearly in the post-1979 economic grain, but he recognises the associated social obligations. As a social security minister from 1986 to 1987 he was blooded in rows over

cold weather payments and involved in the decisions leading to this month's changes with their greater targeting of benefits. But he escaped most of the criticism associated with this shake-up. He makes no secret that he favours a degree of generosity in defining who should receive help. On other social issues, Mr Major is on the liberal rather than the authoritarian wing of his party – opposed to capital punishment and taking a strong stand on racial issues and against apartheid.

Since entering the Commons for the safe seat of Huntingdon in 1979, he has risen through hard work and astuteness. As a whip, initially under the patronage of Mr John Wakeham, he then impressed Mr Nigel Lawson with

his contributions to the daily "morning prayers" meetings at the Treasury and for his highly efficient handling of the finance bill. It was Mr Lawson who sought his appointment as Chief Secretary last June, when he became the first of his Commons intake to enter the Cabinet.

At the Treasury he is highly regarded by civil servants both for his grasp of detail in negotiations and for his ability to sense the political mood – a combination not always seen to a Chief Secretary. Even spending ministers like him for his charm and reasonableness.

Thanks to Mr Lawson and the strong state of public finances, Mr Major has been able to build on the work of his predecessor, Mr John MacGregor, in being able to talk in terms of priorities for increases in certain programmes rather than across the board cuts. But his attitudes have been sharp enough to know generally well in advance, when concessions might be needed. There was, for instance, no question of resisting full funding of the nurses' pay award.

Mr Major is an aggressive public performer in attacking Labour – to the delight of his own side – though occasionally too much so for the taste of the less partisan. He is also quietly effective on television.

However, Mr Major is sensible enough not to let the current praise go to his head. He understands that this year's fashions do not necessarily last, and he still has some way to go to establish himself as one of the Cabinet's heavyweights. Talk of his becoming Chancellor after Mr Lawson is premature. So far he has shown considerable talent as a Westminster and Whitehall operator, but has not developed a broader economic viewpoint – very much Mr Lawson's area. After another year or so at the Treasury his more likely future is running a big spending department – possibly the environment or health and social security.

Still aged only 46, he has plenty of time on his side and is likely to be at the top of the Conservative Party until well into the next century.



P&O ferry The Pride of Dover

^aFor telephone see local directory. CAR = Annual yield after interest compounded.

FOREIGN EXCHANGES

Intervention limits pound's rise

STERLING recovered from a period of acute nervousness yesterday morning, on publication of much better than expected UK trade figures.

The March UK visible trade deficit fell to \$854m from \$1,330m in February, and the current account deficit shrank to \$254m from \$720m.

This was a great relief to the market. Most forecasts in the City were for an improvement in the trade balance, with the general level of expectations for the current account deficit in the region of \$400m to \$500m.

Success among economists at forecasting the trade figures was not particularly good for January and February however. In general the City tended to be too optimistic about these figures, and therefore fears increased ahead of the March figures that the deficit would again be larger than expected.

It was suggested the current account deficit could be as high as \$1bn, although many econo-

mists are of the opinion that the trade figures are too volatile to predict with any degree of certainty.

Sterling fell to around DM3.1255 ahead of the figures, but then rose sharply on the news, before intervention by the Bank of England pulled the currency back at around the DM3.15 level.

It then settled back, to close at DM3.1475, compared with DM3.1275 on Thursday.

The pound also rose 1/4 cent to \$1.5785, and advanced to Y234.75 from Y233.50, and to FF10.70 from FF10.650.

According to the Bank of England, sterling's exchange rate index rose to 78.4 from 78.0, after touching 77.9 before the trade figures.

With attention focused on sterling, the dollar was on the sidelines, but gained some support after a small US bank increased its discount rate to 8 1/2 p.c. from 8 p.c.

The dollar rose to DM1.6745 from DM1.6665, to Y124.90 from Y124.60, to SF11.3935 from SF11.3845, and to FF9.6825 from FF9.6675.

On Bank of England figures, the dollar's index rose to 92.6 from 92.4.

D-MARK - Trading range against the dollar in 1987/88 is 1.9306 to 1.5740. March average 1.6766. Exchange rate index 148.5 against 148.6 six months ago.

The D-Mark weakened against the dollar and sterling in Frankfurt. Speculation about higher US interest rates supported the dollar, and the pound met demand after publication of much better than expected UK trade figures.

The dollar rose to DM1.6745 from DM1.6665 on Thursday, and sterling advanced to DM3.1485 from DM3.1265.

It was suggested that the UK trade figures were so good that the UK authorities will have trouble preventing sterling rising

Trade figures lift Gilts and steady equities

Account Dealing Dates

First Dealing Date	Last Dealing Date	Account Dealing Date
Apr 11	Apr 21	Apr 22
Apr 18	Apr 28	May 3
May 5	May 15	May 16
May 12	May 22	May 23

THE UK trade figures for March, which turned out to be much better than expected, helped the UK equity market recover from a sudden bout of interest rate nervousness yesterday. With the pound also rising on the announcement of a current account deficit of only \$254m for last month - right at the lower end of City estimates -

Gilt-edged moved upwards on moderate demand from the UK institutions.

The equity market's concentration on this week's rash of takeover situations was challenged by a shift of mood in the fixed interest markets. Weakness in the US and German bond centres

instigated a move in the UK market to another UK base rates switched to fears that "the next move in rates will be upwards".

Hedging activity in the London money markets, where the key short term rates were discounted, helped the UK base rates to rise in UK base rates to 8 1/2 p.c. ahead of the trade figures, upset the stock market at mid-session. Share prices turned down until the pound's improvement took the pressure off domestic money

markets. However, equities could not sustain the rally and the FT-SE index slipped below 1800 again before rallying suitably to close a net 2.2 off at 1802.2.

Investment interest in the major blue chip names remained, and traders were concentrating on keeping level books ahead of the extended weekend break to the London markets. Seagull volume dipped to 417.5m shares.

At Warburg Securities, Mr Ian Harwood, economic analyst, warned of a "deteriorating outlook for world bond markets," adding that he doubted if equity markets, especially on Wall Street, could hold up against such a trend.

However, the lack of support for the market's leading stocks was offset by continued demand in bid or speculative situations. Electronic shares had another active session as speculators awaited developments at Rascal, which is to float off its telecommunications division as a separate entity.

Rowntree edged up one penny to 913p as Scharlach disclosed that it had raised its stake to 20.8 per cent. Scharlach paid 910p to 925p for 4.5m Rowntree shares on Thursday, completely

above the Nestlé terms of 890p plus retained dividend for the Rowntree equity. Traders worried whether Scharlach hoped to force a higher price out of its Swiss rival, or will hold on to its stake even if Nestlé acquires Rowntree.

Cadbury Schweppes edged up 2 to 351p, with the market still doubtful of the intentions of General Cinema of the US, but convinced that the UK confectionery company is "in play".

Government bonds saw no selling in early trading, despite the excitement in the money markets. The March deficit of \$254m on UK current account compared with City forecasts ranging from \$250m to \$300m, but bond prices were slow to move upwards after the news.

By the close, however, long dated bonds were 1/4 higher as institutional buyers explored the single seller which used the sector this week. Index-linked were dragged up by 1/4 in the wake of conventional Gilts.

Northern Foods, finally up 23 at 303p, took over the takeover stage in the food sector. Turnover of 5.7m shares - nearly 3 per cent of the equity - followed suggestions that Grand Metropolitan might be the predator. Elsewhere, bid fever continued to cool, and S & W Berford closed only a penny firmer at 286p, while Dalgry, 281p and United Biscuits, 287p, shaded lower.

However, doubled first half profits, together with predictions of a 50 per cent rise in the dividend total, pushed shares in Albert Fisher, the food distributor, up 3 to 108p.

FINANCIAL TIMES STOCK INDICES											
	Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
Government Secs	90.05	89.70	90.03	89.99	89.99	91.96					
Fixed Interest	97.57	96.92	97.05	96.78	97.30	97.37					
Ordinary 9	1443.9	1444.7	1448.1	1433.3	1433.3	1426.9					
Gold Mines	206.4	211.1	209.4	207.1	207.1	204.4					
Ind. Div. Yield	4.51	4.52	4.50	4.55	4.61	3.53					
Earnings Yld. % (incl. Div.)	11.70	11.70	11.63	11.79	11.96	8.36					
P/E Ratio (incl. Div.)	10.45	10.46	10.53	10.36	10.23	14.70					
SEAI Baskets (5m)	27,276	27,629	28,684	28,939	28,346	41,456					
Equity Turnover (£m)	1163.03	1505.37	1062.99	808.57	1395.38						
Equity Baskets	29,534	31,531	28,077	27,297	49,378						
Share Traded (£m)	437.1	430.7	374.1	322.5	392.4						
Opening	1451.5	1449.5	1442.8	1447.7	1448.0	1443.2	1440.1				
Day's High	1451.8										
Day's Low	1437.6										

Rate 100 Govt. Secs 15/10/82, Fixed Inc. 1978, Ordinary 1/7/85, Gold Mines 12/9/85, S.E. Activity 1974, - 101.10.34.

LONDON REPORT AND LATEST SHARE INDEX: TEL 0898 123001

£ IN NEW YORK

Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
1 month	1.0775	1.0785	1.0785	1.0785	1.0785	1.0785	1.0785	1.0785	1.0785	1.0785
3 months	1.0775	1.0785	1.0785	1.0785	1.0785	1.0785	1.0785	1.0785	1.0785	1.0785
6 months	1.0775	1.0785	1.0785	1.0785	1.0785	1.0785	1.0785	1.0785	1.0785	1.0785

Forward premium and discount apply to the US dollar

STERLING INDEX

Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
100	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4
100	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4
100	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4

CURRENCY RATES

Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
US Dollar	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785
DM	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475
Yen	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75
FF	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70

CURRENCY MOVEMENTS

Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
US Dollar	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785
DM	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475
Yen	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75
FF	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70

OTHER CURRENCIES

Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
US Dollar	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785
DM	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475
Yen	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75
FF	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70

MONEY MARKETS

Fears of higher rates recede

INTEREST RATES were volatile on the London money market ahead of yesterday's announcement of the UK trade figures for March, but settled back to close slightly easier, on better than expected data.

In the early morning three-month interbank touched 8 1/4 p.c. rising from 8 1/4 p.c. to 8 1/2 p.c. by 10.30, when dealers became very nervous about the trade figures.

Sterling fell on the foreign exchanges, and the money market grew increasingly apprehensive that poor figures would herald a rise in UK bank base rates. There was a sudden easing of bank of interest rates about half an hour before the trade figures

EXCHANGE CROSS RATES

Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
US Dollar	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785
DM	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475
Yen	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75
FF	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70

FT LONDON INTERBANK FIXING

Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
US Dollar	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785
DM	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475
Yen	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75
FF	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70

MONEY RATES

Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
US Dollar	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785
DM	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475
Yen	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75
FF	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70

NEW YORK (Lunchtime)

Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
US Dollar	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785
DM	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475
Yen	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75
FF	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70

LONDON MONEY RATES

Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
US Dollar	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785
DM	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475
Yen	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75
FF	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70

NEW YORK (Lunchtime)

Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
US Dollar	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785	1.5785
DM	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475	3.1475
Yen	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75	234.75
FF	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70

LONDON MONEY RATES

Apr 29	Apr 28	Apr 27
Frankfurt	3.20-3.30	3.25-3.35
Paris	7 1/2-7 3/4	7 1/2-7 3/4
Zurich	1 1/2-1 1/4	1 1/2-2
Amsterdam	3 1/2-4	4 1/2-5
Tokyo	3.40-3.5	3.40-3.5
Mexico	9 1/2-10 1/4	9 1/2-10 1/4

INSURANCES

Continued on next page

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LONDON SHARE SERVICE

[illegible]

INSURANCE

INDUSTRIALS (Miscel.)—Contd.

[illegible]

156	165 Maysen Gp 10p.....	186	---	5.4	4	3.9	
157	95 HMC Gp 12 1/2p....	191	+1	11.5	5.0	1.5	17
122	45 HMC W Computers....	73	+3	2.5	4	4.6	

[illegible]

558	439 Renters 'B' 10p	478	+3	7.3	3.6	2.0	18
50	38 Remove	45	+2	11.2	3.5	3.6	10

[illegible]

223	216 Tech Project Serv 10p	218	4.0	3.8	2.4	14
134	65 TSL Group	199	0.73	0.87		
280	220 Thld Bldg Inc	375	13.0	9.4	1.5	21

[illegible]

215	145 FW Female Gdn. Chx 50p	158	+10	2.9	0	2.9
73	604 Wyko Group	73		2.6	1.7	4.7 17.

[illegible]

2

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MTNES—Contd[illegible]

62	Year Ten 50	42	-3	h	5.2
63	Year Eleven 50	42	-3	h	5.2
64	Year Twelve 50	42	-3	h	5.2
65	Year Thirteen 50	42	-3	h	5.2
66	Year Fourteen 50	42	-3	h	5.2
67	Year Fifteen 50	42	-3	h	5.2
68	Year Sixteen 50	42	-3	h	5.2
69	Year Seventeen 50	42	-3	h	5.2
70	Year Eighteen 50	42	-3	h	5.2
71	Year Nineteen 50	42	-3	h	5.2
72	Year Twenty 50	42	-3	h	5.2
73	Year Twenty One 50	42	-3	h	5.2
74	Year Twenty Two 50	42	-3	h	5.2
75	Year Twenty Three 50	42	-3	h	5.2
76	Year Twenty Four 50	42	-3	h	5.2
77	Year Twenty Five 50	42	-3	h	5.2
78	Year Twenty Six 50	42	-3	h	5.2
79	Year Twenty Seven 50	42	-3	h	5.2
80	Year Twenty Eight 50	42	-3	h	5.2
81	Year Twenty Nine 50	42	-3	h	5.2
82	Year Thirty 50	42	-3	h	5.2
83	Year Thirty One 50	42	-3	h	5.2
84	Year Thirty Two 50	42	-3	h	5.2
85	Year Thirty Three 50	42	-3	h	5.2
86	Year Thirty Four 50	42	-3	h	5.2
87	Year Thirty Five 50	42	-3	h	5.2
88	Year Thirty Six 50	42	-3	h	5.2
89	Year Thirty Seven 50	42	-3	h	5.2
90	Year Thirty Eight 50	42	-3	h	5.2
91	Year Thirty Nine 50	42	-3	h	5.2
92	Year Forty 50	42	-3	h	5.2
93	Year Forty One 50	42	-3	h	5.2
94	Year Forty Two 50	42	-3	h	5.2
95	Year Forty Three 50	42	-3	h	5.2
96	Year Forty Four 50	42	-3	h	5.2
97	Year Forty Five 50	42	-3	h	5.2
98	Year Forty Six 50	42	-3	h	5.2
99	Year Forty Seven 50	42	-3	h	5.2
100	Year Forty Eight 50	42	-3	h	5.2
101	Year Forty Nine 50	42	-3	h	5.2
102	Year Fifty 50	42	-3	h	5.2
103	Year Fifty One 50	42	-3	h	5.2
104	Year Fifty Two 50	42	-3	h	5.2
105	Year Fifty Three 50	42	-3	h	5.2
106	Year Fifty Four 50	42	-3	h	5.2
107	Year Fifty Five 50	42	-3	h	5.2
108	Year Fifty Six 50	42	-3	h	5.2
109	Year Fifty Seven 50	42	-3	h	5.2
110	Year Fifty Eight 50	42	-3	h	5.2
111	Year Fifty Nine 50	42	-3	h	5.2
112	Year Sixty 50	42	-3	h	5.2
113	Year Sixty One 50	42	-3	h	5.2
114	Year Sixty Two 50	42	-3	h	5.2
115	Year Sixty Three 50	42	-3	h	5.2
116	Year Sixty Four 50	42	-3	h	5.2
117	Year Sixty Five 50	42	-3	h	5.2
118	Year Sixty Six 50	42	-3	h	5.2
119	Year Sixty Seven 50	42	-3	h	5.2
120	Year Sixty Eight 50	42	-3	h	5.2
121	Year Sixty Nine 50	42	-3	h	5.2
122	Year Seventy 50	42	-3	h	5.2
123	Year Seventy One 50	42	-3	h	5.2
124	Year Seventy Two 50	42	-3	h	5.2
125	Year Seventy Three 50	42	-3	h	5.2
126	Year Seventy Four 50	42	-3	h	5.2
127	Year Seventy Five 50	42	-3	h	5.2
128	Year Seventy Six 50	42	-3	h	5.2
129	Year Seventy Seven 50	42	-3	h	5.2
130	Year Seventy Eight 50	42	-3	h	5.2
131	Year Seventy Nine 50	42	-3	h	5.2
132	Year Eighty 50	42	-3	h	5.2
133	Year Eighty One 50	42	-3	h	5.2
134	Year Eighty Two 50	42	-3	h	5.2
135	Year Eighty Three 50	42	-3	h	5.2
136	Year Eighty Four 50	42	-3	h	5.2
137	Year Eighty Five 50	42	-3	h	5.2
138	Year Eighty Six 50	42	-3	h	5.2
139	Year Eighty Seven 50	42	-3	h	5.2
140	Year Eighty Eight 50	42	-3	h	5.2
141	Year Eighty Nine 50	42	-3	h	5.2
142	Year Ninety 50	42	-3	h	5.2
143	Year Ninety One 50	42	-3	h	5.2
144	Year Ninety Two 50	42	-3	h	5.2
145	Year Ninety Three 50	42	-3	h	5.2
146	Year Ninety Four 50	42	-3	h	5.2
147	Year Ninety Five 50	42	-3	h	5.2
148	Year Ninety Six 50	42	-3	h	5.2
149	Year Ninety Seven 50	42	-3	h	5.2
150	Year Ninety Eight 50	42	-3	h	5.2
151	Year Ninety Nine 50	42	-3	h	5.2
152	Year One Hundred 50	42	-3	h	5.2

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Four nations to discuss Angola in London

AN UNPRECEDENTED meeting of officials from Angola, Cuba, South Africa and the US will take place in London on Tuesday in an attempt to end the 13-year war in Angola and bring independence to Namibia (South West Africa). It will be the first time the four parties most closely involved in the conflict have got together and it seems clear that the Soviet Union will be in the background.

The Foreign Office, which announced the meeting, said the venue for the two-day talks would not be disclosed, at the request of the participants.

Mr Anatoly Adamishin, Soviet deputy Foreign Minister, made it clear in London yesterday that the Soviet Union supported attempts to find a solution to the Angolan and other southern African problems.

Mr Adamishin, speaking after a day of talks with Dr Chester Crocker, the US Assistant Secretary of State for Africa, said there was "a certain political dynamism" which could facilitate the settlement of regional conflicts like Angola.

That evidence of co-ordinated US-Soviet action, together with recent diplomatic developments, raised hopes for a negotiated end to the conflict.

Angola, together with Ethiopia, was on the list of regional issues discussed at the US-Soviet summit in Washington last August, and followed up by Mr George Shultz, US Secretary of State, and Mr Eduard Shevardnadze, Soviet Foreign Minister, most recently in Moscow earlier this month.

The groundwork for the meeting has been laid during months of intensive diplomatic efforts orchestrated by Mr Crocker.

That activity has coincided with an upsurge in Angola's civil war, with the South African-backed forces of Dr Jonas Savimbi's Unita rebels and army of President Joaquim dos Santos, supported by 40,000 Cuban soldiers, battling for control of strategic towns in southern Angola.

The inconclusive outcome of fighting, in which thousands have died, appears to have forced both sides to concede that military victory is not possible.

Linked to the war in Angola is the attempt to secure independence for Namibia, illegally occupied by South Africa. Guerrillas of Mr Sam Nujoma's South West Africa Peoples Organisation, operating from bases in southern Angola, have been fighting for the territory's independence.

Efforts to implement a UN plan for elections in the territory leading to independence, accepted in principle by South Africa, have been frustrated by Pretoria's insistence - with Washington's backing - that the Cuban troops in Angola should first be withdrawn.

Angolan proposals for a phased and partial withdrawal, first made in 1984 and since modified, have failed to meet those demands, but Mr Crocker is believed to have secured further concessions from the Angolan Government during visits to Luanda, the country's capital.

A second precondition appeared to be set recently by General Magnus Malan, South Africa's Defence Minister, when he called for the creation of a coalition Angolan administration whose neutrality would be guaranteed by the superpowers. It was not clear, however, whether he was putting forward an early negotiating position or whether it was an inflexible demand.

London talks mark push for Angola peace, Page 2

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London talks mark push for Angola peace, Page 2

THE LEX COLUMN

Putting price before value

It must be counted good news that the FTSE index managed to close the week above 1,500, but it is also possible to put a less optimistic gloss on things. This was a week, after all, which saw better than expected trade figures, a £20bn bid for Rowntree, sharp rises in the shares of Cadbury and Rascal and good figures from ICI; the market's response to all that was to put on just 20 points over five days.

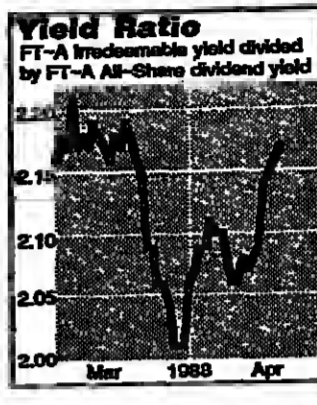
The reaction to the trade figures - a brief and confused flurry which started - was confirmation of the continued drab reluctance by fund managers to come off their perches. The week's really interesting development, though, came in the form of upheavals in asset valuation. The fact that Nestlé puts such a price on Rowntree mainly shows that it is attracted by the long-term store of value in Rowntree's brands, as pension and life funds ought to be but evidently are not. The jump in Rascal's price is a case more mysterious. There is more to it, plainly, than mere bid rumour; having the business repackaged in two parts - to no real operational effect - apparently allows the market to value it quite differently.

The optimist might deduce that fund managers nevertheless that the market is under-priced, but have lost the confidence to bridge the gap themselves. It is possible to sympathise; the classic example of a stock valued without outside help is Glaxo, which hit yet another post-crash low yesterday. The fall in Glaxo's value over the past nine months is now \$5.8bn, which is enough to frighten anyone.

The TSB's miserable performance partly reflects the fact that it raised far too much money, the bulk of which it promptly squandered on a couple of highly priced acquisitions. It has also been slow to exploit its obvious advantages, which include a clean and ungarbled balance sheet, the biggest customer base of any UK retail bank, and more customer deposits than it shows what to do with. But while the prices paid for Target and Hill Samuel can be criticised, both companies are major factors in their respective markets and fit neatly into the TSB's ambitions to be a dominant player in the financial services arena.

While a conservative approach is no bad thing, the TSB has been unnecessarily slow in maximising its potential, and it is failing to take full advantage of the current boom in the UK retail financial services market. Yesterday's management reorganisation is a belated recognition that investors are beginning to lose patience; the worry is that the new chairman might want to reorganise the group yet again when he takes over.

FT Index fell 0.8 to 1433.9



Oil prices fall as Opec falters over export cuts

By Richard Johns in Vienna and Steven Butler in London

OIL PRICES fell yesterday after talks by the Organisation of Petroleum Exporting Countries in Vienna failed to produce an agreement to match cuts in exports offered earlier this week by six non-Opec states.

A further meeting was planned late last night amid signs of continuing discord over whether the organisation's production quotas should be reduced.

The continuing uncertainty pricked an earlier mood of optimism in oil markets. Brent oil for May delivery fell by 30 cents to \$16.675. At the New York Mercantile Exchange, June futures for West Texas Intermediate crude were down 33 cents at \$17.75 in midday trading.

Many traders believed that Opec would be sure to react positively to the firm offer from non-Opec producers to cut exports by 5 per cent for two months until the end of June. As talks dragged on, however, chances of an agreement appeared more remote. Trading has this week been relatively light, with many traders closing out positions to avoid excessive exposure.

Saudi Arabia, Kuwait, the United Arab Emirates and Qatar are reluctant to reduce production during the proposed two-month period and fears that this may prompt an unsustainable boost to prices. Iraq refuses to agree to any limits on its output while embroiled in war with Iran.

The majority of members believe, however, that Opec should find a positive response to the unprecedented initiative made by independent oil producers to co-operate in efforts to lift oil prices back to the Opec reference price of \$18 per barrel.

A reduction of 5 per cent by Mexico, Colombia, Angola, Egypt, Oman and Malaysia - the non-members represented in consultations with an Opec committee - would amount to only 183,000 barrels a day.

Given the opposition of the Arab Gulf states, agreement on anything more than a barrel-for-barrel cut appeared unlikely. Opec analysts expect demand to increase in the second half of 1988, although they disagree on the extent.

Dr Fernando Santos Alvim, Ecuador's Minister of Oil, said yesterday that "most probably" further discussion on collaboration would be postponed, and no decision taken until Opec's next ordinary conference scheduled to begin here on June 8.

Polish engineering workers protest over pay and sackings

By Christopher Bobinski in Warsaw

WORKER protests were reported at a second important Polish enterprise yesterday and opposition groups said 25 activists around the country had been arrested.

According to opposition accounts, workers held a mass meeting yesterday morning outside management offices at the Stalowa Wola engineering works, in the south.

They demanded a pay increase and for the return to work of 20 Solidarity activists sacked last week.

Government spokesman, Mr Jerzy Urban, said workers returned to the factory after the protest meeting but opposition groups insisted that 6,000 of the 25,000 employees had gone on strike.

At the same time, the Government warned that a steelworkers' strike in Krakow, entering its fourth day, threatened to undermine economic reform.

It hinted that strikers would be sacked if they continued with their action, but the use of force appeared to be ruled out for the time being.

Half the 32,000 workers at the Lenin steel factory in Krakow are taking part in a strike which began at the works on Tuesday. The activists arrested included Mr Zdzislaw Bujak, the Warsaw leader of the banned Solidarity trade union movement, and Mr Janusz Onyszkiewicz, its spokesman, opposition groups said.

The past week has seen Poland's first large-scale industrial unrest since General Wojciech Jaruzelski imposed martial law in December 1981.

Executives' share option hits Staley's profits

By Roderick Oram in New York

EXECUTIVES of Staley Continental, the Chicago sweetener and foods group, benefited from lucrative stock option plans this month when the group's shares rose sharply ahead of a takeover bid from Tate & Lyle, the British foods company.

The cost to the company of triggering the "executive compensation and long-term incentive plans" virtually eliminated its profits for the second quarter ended March 31, Staley said.

Without the non-cash charge it would have reported net earnings of \$5.8m (\$5.2m) compared with \$6.8m a year earlier.

Staley first reported on April 5 that the plans had been activated. The news was released several days before the Tate & Lyle bid but 12 days after the New York Stock Exchange had asked Staley's management if it could account for unusually heavy activity in the company's shares. The management said it knew of no reason.

Staley's shares, which were trading at around \$24 in mid-March, rose sharply late in the month, driven by Wall Street speculation of a takeover bid. When they hit \$28, the share options were triggered, vesting ownership of the stock in individual executives' names.

The company's shares rose 3 1/2 to \$28 yesterday, \$3 above Tate & Lyle's revised offer of \$25 a share. Staley has recommended its shareholders not to tender their stock until its board has reviewed the takeover offer, which Tate & Lyle had raised by \$3 a share on Wednesday.

The share scheme was part of the management's elaborate golden parachute provisions, now being challenged by Tate & Lyle.

Tate & Lyle's court fight against Staley's use of Delaware takeover law was backed on Thursday by the US Securities and Exchange Commission. The regulatory agency argued in a brief to the court that the state's law was unconstitutional because it gave management "substantial power to determine which tender offer shareholders can consider" - a result contrary to the principle of free shareholder choice.

Tate & Lyle is asking the court to overturn the law, which is a fundamental part of Staley's bid defence.

The share option charge reduced net profits for the second quarter to \$225,000 from \$6.8m, or 12 cents a share, a year earlier. Revenues rose 9 per cent to \$556.4m from \$505.7m.

British Shipbuilders faces writ

By Kevin Brown, Transport Correspondent

BRITISH SHIPBUILDERS, the shipping and construction group, last night issued a writ for \$186m against British Shipbuilders, claiming it was misled over the prospects of the Scott Lithgow yard on the Lower Clyde, which it bought for \$12m in 1984.

Trafalgar said some of the information supplied by British Shipbuilders and local management at Scott Lithgow before the sale was "materially inaccurate".

The group was seeking reimbursement of "additional costs" since the acquisition.

The writ relates principally to the costs of completing the oil rig Ocean Alliance for Britoil, which was under construction at Scott Lithgow when Trafalgar bought the yard. Part of the costs also relate to the completion of a rig for BP and a small support vessel for the Defence Ministry.

Trafalgar is believed to have made provision against reserves for the full \$186m sought from British Shipbuilders. The corporation has made no provision for meeting the claim.

The issue of the writ follows confirmation that the Government is considering the sale or closure of the British Shipbuilders' remaining yards.

It was unclear last night whether the Government would retain residual responsibility for British Shipbuilders' liabilities in the event of privatisation. It is unlikely that any of the corporation's assets could be sold unless the buyers were indemnified against the claim.

The Department of Trade and Industry said the writ was "a commercial matter for British Shipbuilders". There was no comment from the corporation.

Trafalgar's claim is separate from an earlier dispute over the value of the assets at Scott Lithgow at the date of the sale. British Shipbuilders has already made payments totalling \$64.7m under the terms of the acquisition agreement.

This is in addition to \$82m pumped into Scott Lithgow by the corporation immediately before the sale, and intended to make the yard a going concern.

In the event, Scott Lithgow never won another order, partly because of a prolonged recession in the offshore market which followed the purchase by Trafalgar.

The only work placed in the yard after the sale was a contract to lengthen the Atlantic Conveyor, placed by Cunard, a Trafalgar House subsidiary.

Scott Lithgow hoped to win government orders for a supply ship for St Helena and three small naval ships but all four orders went to other yards.

Trafalgar put Scott Lithgow on a care and maintenance basis in December, with the loss of more than 1,000 jobs but says it plans to reopen the yard when offshore activity picks up.

Charterhouse appoints vice-chairman

By David Lascelles, Banking Editor

MR JONATHAN COHEN, who resigned as chief executive of County NatWest in February after the investment bank lost \$116m in last year's stock market crash, is to become vice-chairman of Charterhouse Bank, the merchant banking arm of Royal Bank of Scotland.

Mr Cohen, 44, will play an external rather than management role at Charterhouse. His job will be to help develop the business and enlarge Charterhouse's customer base.

A chartered accountant, he spent part of his earlier career with S.G. Warburg, the merchant bank. His resignation from County was accompanied by that of its chairman, Mr Charles Villiers.

Mr Victor Blank, chief executive of the Charterhouse group, yesterday described Mr Cohen as "an exceptional merchant banker in the broadest sense." He said he had been responsible for many notable achievements at County and that his prime skills had not been impaired by events there.

Charterhouse has recently begun to move up the UK merchant banking leagues. Last year it ranked fourth in terms of the value of bids handled for UK companies and British banks abroad, a total of 46 deals worth \$5.3bn. The previous year it ranked eighth. Mr Blank said he believed Mr Cohen's appointment would help Charterhouse capitalise on its recent successes.

Holmes à Court Continued from Page 1

of \$1.70.

The deals leave Mr Holmes à Court with a residual stake of about 6 per cent in Bell Group.

The \$282m takeover bid for Bell Resources launched by Sir Ron and Mr Packer forced Mr Holmes à Court to abandon a restructuring of his empire under which Bell Group would have acquired Bell Resources for \$282m.

But it left Mr Holmes à Court highly vulnerable. Even in the wake of yesterday's deals the Electricity camp sees the joint bid for Bell Resources as unaffordable.

Mr Rod Price, chief executive of Industrial Equity, the New Zealand-based Sir Ron's Sydney arm, was quoted as saying of the Western Australia purchases in Bell Group: "Why the state government would want to pay over the market for 20 per cent of the company, I don't know. But they do things differently over there."

To outsiders, yesterday's deals signified another rescue by "Western Australia Inc."

Since October the insurance commission had already aided Mr Holmes à Court by paying \$290m for some Perth properties and buying a 2.5 per cent stake in BHP from Bell Resources for \$290m.

Bond Corporation, which also has media interests, said the investment was complementary to its "interests and position." It said it did not propose a takeover but would seek board representation.

The company insisted it had not acted jointly with the state insurance commission and had no agreements, understandings or arrangements with it. As for the premium price it paid, Bond said it had undertaken its own evaluation of the investment.

Separately Mr Wyvern Rees, commission chairman, said its purchase was made after an independent valuation by Salomon Brothers, and was at less than asset-backing.

He was also quoted as saying the commission intended to become an independent long-term shareholder in Bell and would not become involved in management issues.

From Bell Group itself all that was forthcoming was a one-sentence statement acknowledging that "interests associated with the chairman had disposed of 39.9 per cent of the company. It did not identify the buyers or give a price.

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CHIEF LONDON PRICE CHANGES YESTERDAY

RISERS			
Treasury 13 1/2	104.08	1134 1/2	+ 1 1/2
Abbey Life	285	+ 6	
Burford Group	290	+ 10	
Cadbury	528	+ 28	
Coway Watson	124	+ 8	
Dixons	182	+ 7	
Eng. China Clays	429	+ 9	
Fisons	263	+ 6	
Hawker Siddeley	515	+ 19	
Hickson Int'l.	173	+ 8	
Illingworth Morris	164	+ 9	
Kynoch (G. & G.)	285	+ 35	
Lloyds Chemists	127	+ 7	

WORLDWIDE WEATHER

	Y day	Y day	Y day	Y day	Y day	Y day	Y day	Y day	Y day
	Temp	Wind	Cloud	Temp	Wind	Cloud	Temp	Wind	Cloud
Algeria	18	10	10	18	10	10	18	10	10
Amman	18	10	10	18	10	10	18	10	10
Antwerp	18	10	10	18	10	10	18	10	10
Athens	18	10	10	18	10	10	18	10	10
Bahia	18	10	10	18	10	10	18	10	10
Bangkok	18	10	10	18	10	10	18	10	10
Bombay	18	10	10	18	10	10	18	10	10
Buenos Aires	18	10	10	18	10	10	18	10	10
Calcutta	18	10	10	18	10	10	18	10	10
Cairo	18	10	10	18	10	10	18	10	10
Cardiff	18	10	10	18	10	10	18	10	10
Chennai	18	10	10	18	10	10	18	10	10
Cebu	18	10	10	18	10	10	18	10	10
Dhaka	18	10	10	18	10	10	18	10	10
Dublin	18	10	10	18	10	10	18	10	10
Edinburgh	18	10	10	18	10	10	18	10	10
Hong Kong	18	10	10	18	10	10	18	10	10
London	18	10	10	18	10	10	18	10	10
Lyons	18	10	10	18	10	10	18	10	10
Manila	18	10	10	18	10	10	18	10	10
Medan	18	10	10	18	10	10	18	10	10
Mumbai	18	10	10	18	10	10	18	10	10
Nairobi	18	10	10	18	10	10	18	10	10
Paris	18	10	10	18	10	10	18	10	10
Rangoon	18	10	10	18	10	10	18	10	10
San Francisco	18	10	10	18	10	10	18	10	10
Singapore	18	10	10	18	10	10	18	10	10
Sourabaya	18	10	10	18	10	10	18	10	10
Taipei	18	10	10	18	10	10	18	10	10
Tokyo	18	10	10	18	10	10	18	10	10
Yokohama	18	10	10	18	10	10	18	10	10

WEEKEND FT

Weekend April 30/May 1 1988

A CELEBRATION OF SCOTLAND

SIX YEARS ago Dr Bill Hemmings, a biologist, gave up urban life. He had convinced doctors who gave him only a year to live with cancer of the spine and with his wife, Sue, was even more determined to realise a long-nurtured dream of settling in the Highlands of Scotland. To their delight they succeeded in buying Glencripdale, a large farmhouse on the southern shore of Loch Sunart, a long sea inlet that snakes from the Atlantic into that great chunk of wild landscape south-west of Fort William known as the Ardamurchan peninsula.

To get to Glencripdale, you must drive for an hour along a badly potholed track, much of it through Forestry Commission woodland that, for once, is pleasantly disorderly. You see the odd stag grazing - the Chernobyl disaster has devastated venison prices and produced a glut of red deer here. Finally, you get to a white-walled house at the top of a rough meadow between the trees, looking out onto the loch and the mountains behind.

However, the retreat, which the Hemmings run as a tiny hotel for others seeking peace, is not perfect. Just as they were becoming established, Loch Sunart started to get busier. Instead of just the occasional yacht mooring there, fish-farming companies anchored clusters of large, floating pens in some of the lochs to rear the prized salmon that are the Highlands' most rapidly-increasing product. Not far from Glencripdale itself, there are lines of little orange buoys, rather like the surface of an Olympic swimming pool, each suspending ropes on which fish farmers are growing salmon.

The occasional motor-boat piles across the loch while lorries and pick-ups belonging to the fish-farming companies buzz along the roads around it. On the north side, McConnell Salmon, an offshoot of the Booker group, is busy expanding its little base with a pier and sheds and a dozen men in orange overalls. Loch Sunart, in the eyes of the Hemmings and their guests - who complain about the traffic, bits of plastic being washed up at the high-tide mark, and hearing snippets of BBC Radio One from the world's - is no longer a haven of peace.

The fish farms on Loch Sunart mostly are tucked into lochs and from the majority of viewpoints along the loch you still see only deserted water. But such has been the extraordinary growth of this industry in the past eight years that there is hardly a sheltered inlet along the west coast that has not got a scattering of salmon cages, or is shortly to get some.

Along with the thousand planting of conifers on the hillsides, the growth of marine fish farming has become a major issue for conservationists in Scotland. By pitting the cause of economic development against those who protect the Highlands as a refuge, it raises the question of what sort of people - and purposes - the Highlands are for.

The native population is about 94,000 - not much more than the English city of Leicester - and by no means all of those are indigenous. The Hemmings are self-styled "white settlers" - the Highlands term for people, usually from England, who have recently moved there, buying up old cottages or building little bungalows or, very occasionally, taking over crumbling smallholdings. They are helping to repopulate the area after generations of local people drifted away to the towns, unable to find work at home. Suddenly, though, the Highlands are creating work for ordinary people throughout the west coast at an unprecedented rate. In the little settlements along Loch Sunart, they employ nearly 70 people. Unem-



Battle for the Highlands

Some see Britain's great northern wilderness as a refuge, others as a target for economic development. James Buxton examines the arguments

ployment effectively has disappeared: officials who tried to organise the Youth Training Scheme there went away empty-handed and the number of children in the little primary school at Glenborrodale, near the entrance to the loch, is set to rise from four to 19 in the next school year.

Beyond Glenborrodale, the woods and rhododendrons on the hillside disappear and the single-track road takes you into a wild, open landscape culminating in Ardamurchan Point, the most westerly tip of mainland Britain further west even than Land's End. Shortly before you get there, looking out on a superb view across the sea to the island of Mull, is the village of Kilchoan. White-painted cottages are scattered among the sheep pastures along with a school, a hotel and two churches. At first sight, it looks a prosperous community.

In the post office, however, Catrina MacMillan tells a sombre tale. A sensible, articulate woman, she is married to the local bus-driver who also runs a croft with 120 sheep. The village, she explains, depends almost totally on seasonal tourism. In winter, only about 100 people live there; in summer when the holiday cottages fill up, many with people from the south of England, it can swell to more than 1,000. But without year-round employment, there is nothing to keep such few young people as the village still has. "When they're 12, they go to the secondary school at Fort William and stay in a hostel as weekly boarders (there is no secondary school closer), and that's them away from home," she says.

For MacMillan, the new activity of

salmon farming could offer Kilchoan permanent jobs for young people and the hope of becoming a more balanced community. The local member of the Highland Regional Council, Dr Michael Foxley, who has sometimes criticised fish farming elsewhere, actually suggested to Marine Harvest, the salmon-growing subsidiary of Unilever, to apply to come to Kilchoan. Previously, the industry had passed by the location because it was too exposed to the elements, but now Japanese technology exists for fish farming in such waters. However, the application is not likely to go unopposed by conservationists.

The clash of interests between the white settlers, the holiday cottagers and the indigenous people along Loch Sunart and out at Kilchoan does not amount to a blazing environmental row - the people are too discreet and too much separated by distance for that. But it is in microcosm a debate over the whole of the Highlands, and one followed closely by people hundreds of miles away in the south of England.

In an office off the Strand in London sits Neil Jamieson, an earnest, grey-haired man who runs an organisation called the

Scottish Scenic Trust. This is an unashamed pressure group with an annual budget of about £30,000. It has patrons and advisers but no members. Yet, through skilful use of media coverage - Jamieson, an expatriate Scot, is a public relations man - it wields much influence in Scotland while his letters, often worded fiercely, drop frequently onto the desks of government ministers.

Jamieson says he sees the Highlands primarily as a place where people in the rest of Britain go to enjoy outdoor recreation in a wild landscape. "It's one of the last bastions of the outdoors in Europe," he says. "It's in the interests of the British public as a whole that it should be protected." He believes conservation in Scotland is 20 years behind the rest of Britain.

According to Jamieson, the Highlands' greatest potential is for tourism and nothing should be done - whether erecting power lines, extracting minerals or planting unsightly forests - to detract from that. Tourism must be seen as a genuine occupation, he says, and increasingly it is becoming almost a year-round activity in Scotland.

Jamieson insists he is not opposed to fish

farming - which he calls "an ideal industry for the Highlands" - but is alarmed at the effect of its proliferation on the scenery. He attacks the fact that control of its development is largely in the hands of the Crown Estate Commissioners who, through the Crown's ownership of the seabed, issue the leases.

The Scottish Scenic Trust, along with 11 other conservation bodies ranging from the Royal Society for the Protection of Birds to Friends of the Earth, produced a discussion document recently on marine fish farming. It raised many fears, from the risk of pollution to the damage to wildlife posed by the occasional shooting of seals which try to prey on the captive salmon. Jamieson would like to see fish farming cut to about two-thirds of its present size and considerable areas of the Highlands put out of bounds to it altogether.

The fish farming industry believes it can answer most of the criticisms. The companies insist that because they are likely to be the first to suffer from water pollution they are good watchdogs, although research is being stepped up. The need to shoot the occasional seal is an embarrassment, given the acute public sensitivity over anything to do with them, but the number killed - put at about 1,000 a year - is insignificant compared with the burgeoning growth in the UK seal population caused by the government ban on culling. However, the Highlands and Islands Development Board, the role of which is to promote the prosperity of the region, is afraid that the headlines won by conservation groups risk giving fish farming a bad

name and holding back its development.

"I get very fed up with those who come in from the south of England and tell us how we should go on," says Ronnie Cramond, deputy chairman of the HDB and not one to mince words. He resents particularly Jamieson's brief but well-publicised flying visits to Scotland. According to Cramond: "He poses serious questions. But instead of waiting for the answers, he gets on the next plane back to London."

Cramond belongs to seven conservation societies, but he rejects the idea that the Highlands should largely be left untouched - "preserved in aspic" in the board's phrase. He says the Highland landscape, up to about the 2,000ft level, is man-made and not natural. Over the past 1,500 years, the ancient Caledonian pine forest that covered much of the Highlands was cut down almost entirely. In the 19th century Clearances, landlords drove out most of the crofters to breed sheep, and these, along with red deer which the landlords also encouraged, created the bare, open landscape of today.

"It's a devastated wilderness which we would like to breathe new life into, to bring people back into the glen," Cramond says. He thinks a balance can be reached with conservation interests provided they do not put their case too stridently. "The conservation lobby has made a great mistake and lined itself up with people who come from outside the Highlands - the white settlers, the holiday cottagers and people who visit for only a week or two a year."

Some areas of the Highlands should be left as wilderness, he says, "but I would hope that this is very few areas." As for Jamieson's vision of the Highlands mainly as a place for tourists: "We'd be delighted if more people came here all the year round, but the fact is that the climate gives us just a five-month season."

The Clearances in the Highlands provoked revolt in the 1880s. Gladstone's Government responded by passing the 1886 Crofting Tenancy Act which enshrined in law the rights of those still there to farm and graze their animals over 2m acres virtually without risk of being dispossessed, provided they pay a tiny rent. There are still 15,000 crofts, mainly on the western and northern fringes of the Highlands and in the Outer Isles; and, after many years of decline, better things may at last be on the way for them. Jim Hunter, who runs the two-year-old Crofters Union, says they are the sort of small, highly-diversified farmers - not obviously swelling the EC grain mountain - who provide a model for the country-dweller of the future.

Hunter, who is not himself a crofter but a journalist, argues that the relationship between the Highlands and the rest of the UK has in recent centuries had "neo-colonial tendencies": vast empty sporting estates often owned by Englishmen, large-scale forestry which, until this year's Budget, was a tax break for the southern rich; and salmon farming, run mainly by large companies - although the HDB has helped crofters go into fish-farming in the Western Isles, and the union is seeking a change in the law so that crofters can plant trees.

Hunter says the crofters now see a new category being added to the list of neo-colonialists - conservationists from the south. He calls them "bright young scientists not experienced in the ways of the countryside, not trained in human relations or *au fait* with the traditions of the local people. It causes definite aggravation when people from the south of England,

Continued Page XVIII

The Long View

Still bound by the shackles of history

SOMETIMES history can be a burden. The once-proud legacy of the nineteenth century still dominates much of the economic life of Scotland. It is so much so that, to develop a new industry and train raw, young labour than to get to grips with industrial dereliction and an ageing workforce with yesterday's skills. The future is plain enough: but how can Scotland get there from here? Fortunately the worst part of the journey has already been travelled. Between 1974 and 1985 a third of Scottish manufacturing jobs disappeared - some 240,000 in all. Scotland was disproportionately represented in old, heavy industries such as coal mining, steel and shipbuilding. They were right in the firing line as technological change accelerated and global competition intensified.

Even in the comparatively successful financial services industry, where Scotland has continued to make a strong showing and there are over 100,000 jobs, the country has tended to be rooted in the distant past. It has been strong in nineteenth-century institutions such as life assurance companies - many of which were founded around 1800 and investment trusts, which were founded in 1873 by a bright Dundee financial entrepreneur called Robert Fleming.

But Scots have by and large been surprisingly slow to move into the more modern sectors where the recent growth rate has been high. Independent building societies are few in Scotland, for example, and the independent community has been extremely reluctant to move into growth areas such as air transport or the management of corporate pension schemes, while the pioneering business of electronic marketing has been slow to take root. This can be attributed to the young. The great danger for a

The Scots have fought long and hard to break free from the legacy of the nineteenth century and much still remains to be done. But, as Barry Riley reports, there is room for optimism



territory such as Scotland is that its more ambitious and enterprising inhabitants will give up the local struggle with the past and simply move to where the future lies. It is, after all, only an hour's flight from London on the Shuttle. The population of 5m is slowly declining, although Scotland is not so impoverished as you might think: consumer spending per capita has been running at around 97 per cent of that in the UK as a whole.

In one sense the geographical position on the outer edges of the European Community is of no help. The pull towards the centre

is strong and has contributed heavily towards the tipping of the balance of economic power in the UK in favour of the south east. If only the Channel Tunnel could have had its northern exit in Dundee instead of Kent, where the natives are distinctly unfriendly.

At the same time, however, Scotland has had considerable success in attracting foreign investment, mainly from countries such as the US and Japan which are keen to manufacture inside the Community's borders. There are now, for example, some 45,000 jobs in the electronics industry.

However, such externalised enterprise carries great risks. Plants may be closed suddenly because of a crisis at some far-away head office, as happened with the Caterpillar plant last year. Japanese "screwdriver" factories may create only low-paid female assembly line jobs, and offer few knock-on benefits to the local manufacturing and service economy.

North Sea oil and gas has presented the bonus of an opportunity to create an entirely new indigenous industry, drawing upon the available heavy engineering skills, which were in surplus supply. However, commodity-based industries are inevitably erratic in their performance, and with North Sea output declining the challenge now is to create an export industry based upon the \$70bn a year global market in offshore development (of which \$20bn might reasonably be accessible to Scottish companies).

In such circumstances there are, however, serious question marks over the degree of native enterprise left in Scotland. Over the centuries Scottish talent has been exported all around the world, and the gaps must show back home. There is something destructive about the immensely powerful role played by the Scottish Development Agency. It has been extremely successful, demonstrating the way in which it has been able to prosper politically in a hostile Thatcherite environment. But should a healthy economy need such a driving force, even if the SDA emphasises the catalytic nature of its role in partnership with the private sector?

The challenge is to foster business leadership on the fringes of Europe. Nothing rouses the Scottish business community to greater passion than a threat to the control of a major Scottish company. Yet in the past couple of years the Distillers Company

has been taken over by Guinness, Coats Patons by Vantona Viyella and Britoil by BP (though in that case a deal was struck to retain BP's North Sea technology headquarters in Glasgow).

The departure of head offices creates an immediate threat to the infrastructure of financial and corporate services, and may also mean that purchasing departments will withdraw business from the Scottish economy. More fundamentally, the nature of Scotland as a branch economy is increasingly confirmed.

All is not gloom, however. While old industrial giants may be taken over (and few even in Scotland had a good word to say for DCC) there are signs of the emergence of a new generation of younger companies in growth industries. North of the border, *perestroika* is in progress.

Nationalist pressures have subsided somewhat. Whatever the faults of the English, Scots on their own would have a very hard time. An independent Scotland might be like Sweden, but more likely it would be another Ireland. All the same, being part of a larger economy does have its disadvantages, as was shown by the affair of the Ford electronics plant in Dundee. A national labour agreement made it impossible for Scotland to compete for a new plant which will now go elsewhere. Fortunately, few multinationals have UK union agreements like Ford's.

At present there is a degree of economic optimism within Scotland. The electronics industry has performed one of its turn-rounds from slump to boom, the North Sea exploration industry has survived its 1986-87 crisis and the financial services industry has been growing fast, only slightly dented by last October's crash.

If only the Victorian Age were not such a hard act to follow.

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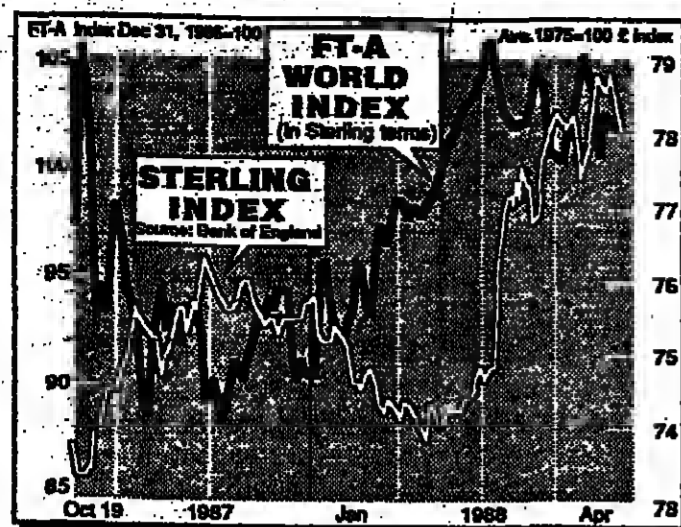
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MARKETS



A birthday for all to celebrate

AS JAPAN WAS celebrating the Emperor's birthday yesterday, investors in the Tokyo stock market had equal cause for feeling in a particularly festive mood.

Since the first of the year the Nikkei stock index has jumped by nearly 30 per cent, with the gains spread out right across the board. Indeed, investors in the TSE this year would have had to work hard to lose money as nearly every sector has moved in a positive direction.

As a result, the Nikkei index is once again setting all-time record highs on a daily basis. It closed at 27,434 on Thursday before yesterday's holiday, with strong trading volumes and no palpable sense of nervousness among brokers or investors.

Indeed, with foreigners now back into Tokyo as net buyers, only the Bank of Japan is left to repeat its refrain of urging investors to exercise "due caution" in stock market activities.

While investors continue to enjoy the merry-go-round, made all the more delightful by the continued lack of excitement in other major bourses, the authorities in Tokyo are starting to become slightly more concerned. Given their basic conservatism, the gentlemen of the Bank of Japan and the Ministry of Finance would be happier if the TSE cooled off for a while.

However, the way things work, it is easier for officialdom to improve investment sentiment as it did earlier this year by re-jigging some requirements for institutional investors - than it is to cool things down.

If, for example, the central bank were to allow interest rates to drift up, it could cut off the flow of funds to the US dollar and push up the yen even further. At the moment, instability in the currency markets is the last thing the Japanese want. If interest rates went up in the United States, this would give Japan a bit more flexibility, but this seems unlikely given the worries about inflation in the US.

In the meantime, the factors which continue to contribute to Tokyo's growth are still blossoming, despite the passing of the cherry blossom season. The economy is still roaring ahead, with Japan's official 3.8 per cent GNP growth forecast for this fiscal year roundly pooh-poohed by independent forecasters. Most are looking for more than 4 per cent growth, some as much as 6 per cent.

Not only does this growth imply continued amounts of surplus cash for investment in the Tokyo stock market, it also implies that yen investments will become increasingly attractive to outside investors. The IMF, for example, expects average growth for the G7 countries to be 3 per cent for the next two years, with the US and West Germany under-performing that figure.

Barring some major disaster, then, Japan's super-currency could become something of a reserve currency, especially for growing Asian economies. Singapore has already started pumping money into yen, primarily in the stock market. The relative illi-

quidity of Japan's government bonds (other than benchmark issues) means that this kind of inflow to yen will benefit the TSE, rather than bonds, at least until the Bank of Japan starts issuing more short-term paper.

At home, the best-established fundamental, weight of money, continues to reign supreme. Corporate profits are still rising. Japan's money supply figures are still growing, and interest rates are still at record lows. Further, recent regulations aimed at curbing land speculation have meant that more of these wheeler-dealers have been focusing on the TSE for their fun.

Brokers now estimate that between 120 to 150 rising stocks on the TSE are being chased by speculators and individuals who have reaped small fortunes on the rise in property prices over the past few years.

Emperors don't live forever, though, and neither can excess liquidity remain a permanent factor in Japan. According to Goldman Sachs in Tokyo, the difference between money supply growth and nominal GNP growth has jumped from 0.6 per cent in 1984 to 5.6 per cent last year and 6 per cent this year. Next year, it predicts the figure to reach 6.1 per cent.

As a result, Japanese and foreign stock brokers alike remain confident of continued excess liquidity and Tokyo's prospects for at least the next year. The last two periods of low liquidity in Japan were the 1974 and 1979 oil shock periods.

At the moment, oil prices do not look like causing Japan so much trouble given its strong currency and situation in the oil markets. When and if low liquidity will strike again remains an open question.

Some brokers, then, are toasting the Emperor with a prediction that the Nikkei will hit as much \$2,000 by the year's end, with some dull patch or downturn in between. As usual, it is hard to find any bears in Tokyo, except for the bureaucrats who are twiddling their thumbs nervously at the Bank of Japan and the Ministry of Finance.

In the meantime, investors will continue to have a hard time choosing between the various buoyant sectors in Tokyo. Even Toshiba, which faces US trade sanctions in the wake of a Cocom violation, has been hitting record highs this week. The case for buying shares, put by a Japanese broker, is that nothing further can now arise to hurt Toshiba over this matter.

Two other themes of particular interest have been those companies who will benefit from liberalisation of Japan's imports of beef and oranges, and the country's continuing trend toward leisure activities.

On the beef and oranges story, brokers have been promoting warehousing, refrigeration and even shipping stocks. Leisure is a harder theme to identify as an industrial company interested in hotel development, for example, needs to hold a good deal of land or be very cash-rich.

Next week, however, investors can take a break as Japan retires for its annual Golden Week holiday. It should be a good chance for the country's central banks and finance ministry officials to get some well-needed rest.

Tokyo

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Wall Street

WHEN THE financial markets are "deader than a doornail" (in the words of one exasperated trader), when volumes on Wall Street are at their lowest ebb for three years, and when economic statistics and corporate results announcements are turning out precisely as the analysts had expected, it is perhaps a good opportunity to take stock. It is a chance to look at the dramatic past, instead of the uneventful present - and to make an overdue confession.

For the sort of people who worry about snow showers in August, the past few months have been miserably frustrating. Back in October, professional pessimists enjoyed a brief reign of glory after the years of crying in the wilderness about fiscal dishonesty, industrial decay and imminent financial meltdown.

However, for those of us who sought a truly elemental drama - an atavistic moral retribution for reckless public policy and shameless private greed - the aftermath of the great crash has proved to be a disappointing washout.

Indeed, looking back over the columns which have appeared in this space during the last year, it looks today as if the most perceptive was not the one published on October 10 last year. This argued that "the next long-term thousand point move in the Dow Jones Industrial Average will be downwards, not upwards" (as the most fashionable analysts on Wall Street were still predicting at that time). Nine days later, the Dow had fallen 800 points and the

After the crash, a washout

FT-ACTUARIES WORLD INDICES

Country	% change from Dec 31st 1987	% change since Apr 22nd 1987
Australia	+16.51	-17.4
Austria	-8.68	-12.94
Belgium	+22.53	-7.1
Canada	+12.09	-16.28
Denmark	+4.42	-6.78
France	+4.97	-33.58
West Germany	-0.2	-38.79
Hong Kong	+15.33	-16.53
Ireland	+17.46	-10.88
Italy	-3.38	-39.04
Japan	+22.9	-2.53
Malaysia	+17.19	-38.78
Mexico	+24.1	-33.90
Netherlands	+9.59	-17.21
New Zealand	+1.56	-29.23
Norway	+30.22	-12.66
Norway	+14.82	-32.34
Singapore	-4.64	-36.54
Spain	+14.35	+13.1
Sweden	+24.19	-10.22
Switzerland	-8.55	-28.07
UK	+3.88	-8.39
USA	+4.46	-30.74

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but a whimper?" it asked.

Today, of course, the world is still far from ending. But, to the extent that the stock market and the economy both suffered blows last autumn, these now look like mere setbacks rather than full-scale disasters.

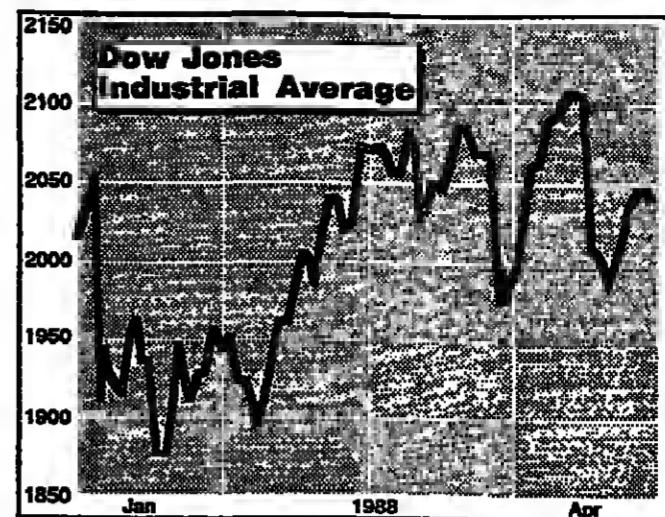
From the stock market investor's standpoint, it still appears very unlikely that prices will recover in the foreseeable future to the heights reached last August. But almost nobody on Wall Street seems any longer to be worried about an all-out collapse.

The debate today is between analysts who expect a further gradual attrition towards the lows plumbed last October, and those who believe that a slow healing process, that could take months or even years, is now going on.

And however much it might appeal to the journalistic spirit to dramatise events, seeking out economic miracles or disasters, the fact is that all the objective indicators suggest the Wall Street consensus does, for once, make sense.

The US economy is chugging along at a respectable pace, with neither recession or unacceptable inflation apparently on the horizon. The total absence of any market reaction to the figures for first-quarter Gross National Product, published on Tuesday, shows just how moderate and acceptable is the economy's performance today.

Occasional grim trade figures



may still unleash some panic selling, as they did three weeks ago when the Dow dropped 102 points in a single day. But the market's steady recovery since then has reflected, properly, the decent medium-term economic outlook on which all the best economic forecasters now agree.

Growth of 2.3 per cent in the second quarter, with most of it coming from business investment rather than consumption, was precisely the kind of performance the markets, the policymakers and the economists wanted to see. The decline in the trade deficit might still be uneasy and disappointing. But the fact that most of the continuing expansion of imports is going into business

investment is a major consolation, since it does mean a build-up of America's competitive ability in the longer term.

There may be a few signs of intensifying inflationary pressures in the primary goods industries like chemicals and steel, as well as in some regional labour markets - and the widespread expectation that the Federal Reserve Board might tilt policy in a slightly restrictive direction is probably right.

However, US trade unions are still preoccupied more with job security than with buying power, and excess capacity still abounds in major manufacturing industries such as autos (a fact that was underlined strongly by this

week's results from the big three US carmakers). An uncontrollable inflationary explosion thus looks unlikely, even if the dollar still has somewhat further to fall.

Above all, the anxiety about inflation seems to confirm that there is no economic slump in prospect - certainly no 1930s-style depression, and probably not even a serious recession like the ones which knocked the market sideways in 1974 and 1981.

Meanwhile, the stock market itself seems to be placed for a slow, if unspectacular, advance. With announcements of first-quarter results confirming, or somewhat exceeding, analysts' expectations of 15 per cent-plus growth in earnings per share, the market's valuation is at a reasonable level.

The price/earnings ratio on the Dow Jones index was 11.8 in the week ending April 21, indicating a somewhat undervalued market compared with the 50-year average p/e of 13.6. The Dow's dividend yield was 4.2 per cent, suggesting a very marginally expensive market compared with the long-term average of 4.2 per cent.

In summary, there seem to be few objective reasons for continuing to predict snow showers in August or even a figurative financial blizzard as the summer draws nigh. All that is left for the unreconstructed gloom-mongers is gut feeling - and the knowledge that disaster strikes when people, including even long-time pessimists, expect it least.

Monday 2036.97 + 20.85
Tuesday 2044.76 + 08.79
Wednesday 2047.91 + 03.15
Thursday 2041.28 - 06.63
Friday

Anatole Kaletsky

Common sense alone tells you that if we don't get our business ship-shape there'll be no future for P & O European Ferries and no jobs.

At the moment, we don't even earn enough to refurbish our ships for the future, let alone replace them.

We put this to the NUS. But they wouldn't see sense.

Market equalisation in 1992 will mean the loss of our duty free revenue, and the introduction of VAT on fuel and tickets will put a further dent in our revenue.

The following year the Channel Tunnel

opens with obvious consequences for any ferry company that isn't running a tight ship.

We put that to the NUS.

But they wouldn't see sense.

Even without the challenges of the future

we'd still need to act now. Foreign ferry operators aren't held back by the same levels of overmanning. So who do you think is more competitive?

We put that to the NUS.

But they wouldn't see sense.

The solution might be

uncomfortable, but it's unavoidable. We have to get rid of the outdated working practices that are crippling our business.

We put that to the NUS.

But they wouldn't see sense.

In an effort to solve the deadlock we agreed to ACAS conciliation and accepted their proposed solution.

Still the NUS wouldn't see sense.

Finally, we improved on the ACAS solution and made a direct approach to the workforce.

Our solution has guaranteed ratings around 34½ weeks paid leave

plus bonuses and P & O Group profit sharing.

They'll earn between £11,000 and £17,000 p.a. basic salary.

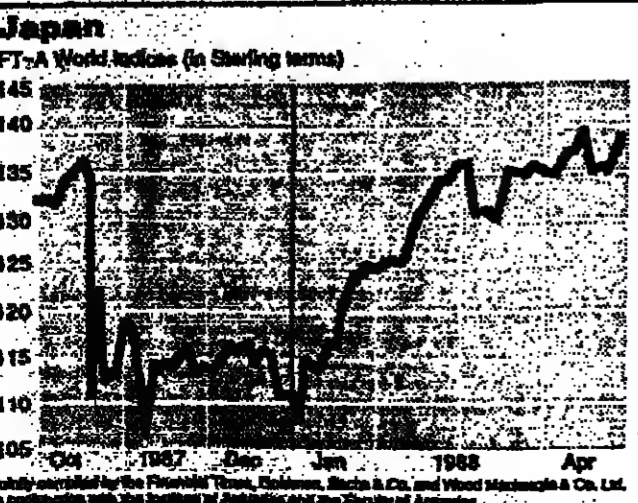
65% of our workforce wrote and accepted the offer.

The union still didn't put it to the vote.

P & O is the only remaining British-owned ferry company operating between the UK and the Continent.

We employ more British seafarers than any other company, and we'd like to keep it that way. If only the NUS would see sense.

P&O
European Ferries



Jointly compiled by The Financial Times, Goldman Sachs and Co, West Molebrook and Co Ltd in conjunction with the Institute of Actuaries and the Society of Actuaries.

FINANCE & THE FAMILY

John Edwards reports on Scottish influence in the financial services sector

The Swiss of the North Sea

GO TO any financial adviser for an insurance, pension or investment product and there is a good chance that you will be recommended one managed by a Scottish company.

Most of the leading life insurance companies, including Standard Life, are Scottish based and there is a roll call of Scottish names managing pension funds, investment and unit trusts for private and institutional investors. Scotland has a financial services industry far bigger and more widespread than would be expected for a country of its modest size and population.

The volume of funds managed from Scotland, particularly in Edinburgh, is estimated to total around £51bn (\$90 bn), and it claims to be the second largest investment centre in Europe.

Only last month US fund managers Templeton, Galbraith and Hambroger announced that they were setting up their European headquarters in Edinburgh, and Bankers Trust chose Edinburgh as its location for a global custody service to investors. Financial services is the fastest growing business sector in Scotland and is the biggest single employer, accounting for 8.3 per cent of the working population.

According to Professor Jack Shaw, executive director of the

Scottish Financial Enterprise organisation, it was a bit of an historical accident that the Scots became "the Swiss of the North Sea".

The industrial revolution generated a great deal of corporate and personal wealth in Scotland. The Scots tended to want to save and accumulate, rather than spend their money on themselves as did their English counterparts, so money poured in from industries such as the jute trade, shipbuilding and coal mining, mainly via the banks, accountants and solicitors, into financial vehicles such as investment trusts.

With limited domestic possibilities, the Scots looked abroad for investment opportunities. Scottish fund managers financed railroads and cattle ranching in the US, and had early exposure to the Japanese markets. They gained considerable expertise at managing other people's money and established large insurance and investment groups in Scotland.

The different legal systems, national pride, and distance from London helped the Scottish insurance and banking groups avoid some of the turmoil that hit their English counterparts during the Depression and thus were not swallowed up in big groups. Over the years Scottish financial institutions continued to prosper, but



Jack Shaw

complacency also began to creep in, particularly in the independent finance houses in Charlotte Square, which relied on investment trusts for the bulk of their business.

Another threat was that the Scottish houses would be left behind while London, encouraged by Big Bang, took the lead in the worldwide expansion of financial services. The Scottish Development Agency, a Government-financed organisation which has already helped transform Glas-

gow, turned its attention to the financial sector and, together with several other organisations, encouraged the creation of Scottish Financial Enterprise to act as a lobby and promote the sector's interests internationally.

In fact, Big Bang, and subsequent insider dealing scandals in London and New York, have done no harm to the Scottish investment community. Institutional and private investors, worried by conflicts of interest and having little confidence in so-called Chinese walls, have been attracted by the independent approach offered by the Scottish houses. They also like the stability of staff in Scotland compared with the merry-go-round in London.

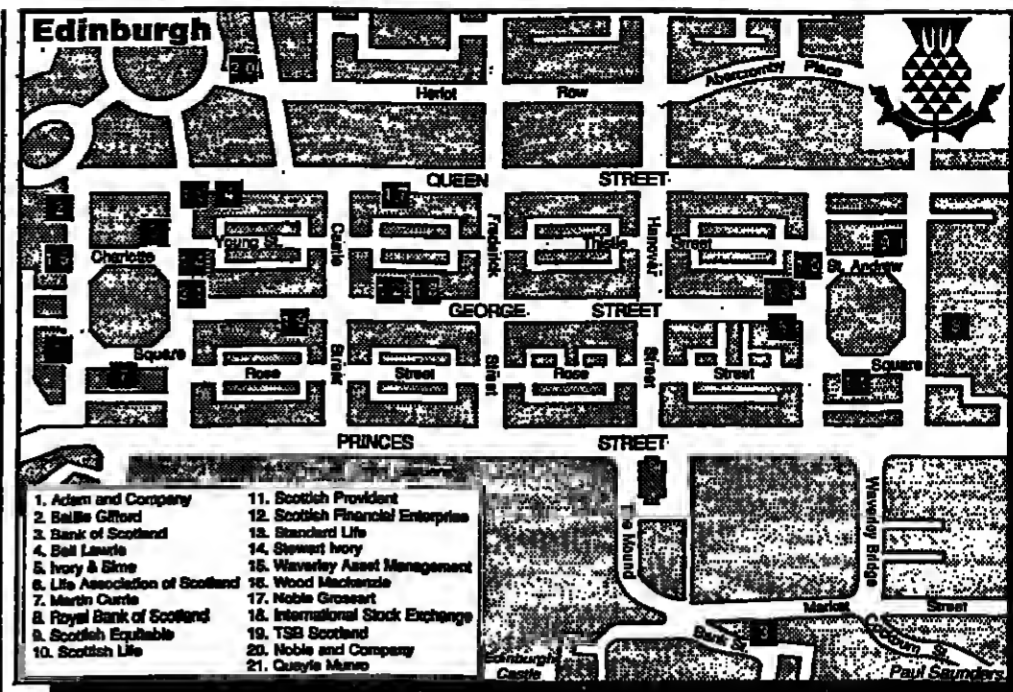
With the improvement in communications making the distance from London of less and less importance, Scotland is able to play on its advantages of having much lower overhead costs. Commercial property rents in Edinburgh and Glasgow at around £10 to £12 a sq ft are about a fifth of those in London; a seventh of those in Tokyo; and a third of those in New York.

Staff costs are estimated to be some 20 per cent lower than those in London, with plenty of

good-quality people available. In spite of the lower salary levels, surprisingly few executives have been attracted by the bright lights of London; indeed there have been some moves in the other direction. Money is not the only priority. The quality of life in Scotland is considered to be better, with less pressure and the ability to drive to and from work in a few minutes.

The stock market crash in October supported this approach. There have been few redundancies among the Scottish financial community, which is continuing to expand. Scotland escaped the worst of the aftermath of Black Monday, perhaps because most of its institutions act as agents rather than principals and are not market makers or dealers. At the same time the claim of Scottish investment houses to be more interested in the long-term view, instead of quick short-term gains, was given a lot more credibility by the crash.

With the Scottish clearing banks also pushing aggressively into the rest of Britain, Scottish companies are likely to continue featuring prominently as providers of financial products to England and Wales, and also to the European Community when harmonisation takes place in 1992.



Focus on the dumb-bell

John Edwards looks at the home of Edinburgh's financial community

THEY CALL it the dumb-bell.

Princes Street and the Castle may be top of the list for tourists visiting Edinburgh but, for the financial community, the important area is the "dumb-bell" formed by the two squares - Charlotte and St Andrew - at each end of George Street.

Charlotte Square has what may be the highest concentration of investment management houses in the world, while St Andrew Square is equally well known for its powerful mutual insurance companies.

Standard Life, the biggest mutual life company in the EC, with assets under management of over £10bn and a weekly cash flow in Edinburgh alone of some £20m, has its headquarters in George Street, near the St Andrew Square end. Its headquarters office in George Street is responsible for investing some £10bn worth of funds - most of the rest is managed by its associated company in Canada - and it accounts for something like 2 per cent of the total UK equity market.

Perhaps the best demonstration of Standard Life's commitment to Scotland was the com-

pany's decision in 1985 to acquire the 34.28 per cent stake in Bank of Scotland previously owned by Barclays. It was quite an outlay for a mutual company - £155m in cash - but it has turned out to be a very worthwhile investment.

Recently, Standard Life has spent about £2.5m building up its own research unit in Edinburgh to handle the money flowing in weekly in the form of life and endowment policy premiums, pension payments, investment bonds and unit trusts.

Scottish Widows, the second highest mutual in Edinburgh, made the bold decision a few years ago to move its main offices outside the city's financial district but the others, such as Scottish Equitable, Scottish Life and Scottish Provident, and Life Association of Scotland in George Street, are still in the centre.

Down at the other end of George Street, in Charlotte Square, the investment houses are just as tightly packed. They claim that being so close creates a "critical mass" which enables them all to function more efficiently. For instance, potential customers can see a lot of different people on one trip.

Charlotte Square is very much an investment, as opposed to a brokerage, community. The companies - with the notable exception of Ivory & Syme - are pri-

vately owned concerns which originated from firms of accountants and solicitors which divested themselves of their investment management interests and formed separate companies running investment trusts. The partnership tradition remains strong, with the staff tending to own the bulk of the equity and remaining proud of their independence as pure investment houses, uncluttered by brokerage or other interests.

While investment trusts remain an important sector, most of the companies have moved into other areas of fund management, notably pension and more recently unit trusts. The Edinburgh firms claim they are better placed to remain more detached and take the long-term view than their rivals in the City of London.

This has led to some complacency in running investment trusts, but stronger competition from outside, and the inroads made by unit trusts, have now galvanised most of them into life. Martin Currie, for example, has recruited a Sassenach, Alan Maidment, previously managing director of Wardley Unit Trusts in London, to spearhead its unit trusts expansion programme. Maidment said he took up the offer to go north of the border because the contrast in style appealed to him. Working for a privately owned, pure fund management house in Edinburgh would be a welcome change from a large group, he decided.

Tight fists on the £

Bank of Scotland, which claims to be the UK's oldest clearing bank, dating back almost 300 years, is adopting a different policy to the Royal Bank in expanding into England and Wales. Instead of building up a branch network, it has a number of regional offices and is relying on joint ventures and developing innovative products to expand its business.

It already provides banking services for building societies such as the Abbey National and

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Banking in Scotland is big business with over £34bn on deposit and the three big Scottish clearers keen to expand, says John Edwards

details of your account and to give instructions. However, the Bank of Scotland is the acknowledged leader in home banking, pioneering the Home and Office Banking Service (HOBS). It is a screen-based service, utilising Prestel, and the bank says it is glad to see that the main competition in home banking is coming from voice-response systems, which it considers to be inferior. HOBS may be more expensive for the customer, but it provides extra facilities which are particularly useful to small businesses.

Alliance & Leicester, as well as processing the Halifax Visa card, and is heavily involved in providing mortgages via brokers and intermediaries.

Through its North West Securities subsidiary the bank provides financial services to Automobile Association members, including AA Visa cards and Budget accounts. Other subsidiaries include the British Linen Bank merchant bank and the Bank of Wales. Bank of Scotland claims to be the first to introduce a high interest cheque account, which it now also offers for expatriates,

and the revolving credit and budget accounts.

Clydesdale Bank, the third biggest Scottish bank, is expected to undergo a transformation following its change of ownership. The National Australia Bank acquired it last year from the beleaguered Midland Bank.

As a subsidiary of the Midland, the Glasgow-based Clydesdale Bank went through a bad patch, starved of funds for development and restricted from expanding outside Scotland. In recent years, especially, it suffered badly from the problems affecting the Midland and lost ground to its competitors.

So far the National Australia Bank has yet to make clear its detailed intentions about its strategy to revive the flagging fortunes of the Clydesdale, which celebrates its 150th anniversary this year. But it has said it expects Clydesdale to become a significant force in personal finance in the south of England within three to five years.

One result of the abortive bid for the Royal Bank of Scotland made by the Hong Kong & Shanghai group in 1982 was the creation of a small new bank in Edinburgh. Alarmed by the prospect of the Royal being taken over, several Scottish businessmen looked at the prospects for a specialised banking service. Although the bid for the Royal

staff," he added. The bank has assets of more than £30m.

The monthly review from Scottish Unit Managers, a subsidiary of Martin Currie, takes a worldwide look at investment.

In North America, it says that the bears presently have the upper hand, but takes the view that fears of inflation are overdone and that investment opportunities exist. "Manufacturing America is on the move," it says, "and a new competitive export sector will provide distinctive opportunities."

In the Pacific Basin, SUM continues to favour Japan in the Far East on account of its booming domestic economy, stock market confidence and its relative lack of vulnerability to slower US growth. It takes a longer term view on Australia, where the equity market has recovered on light volume to some 20 per cent above its October low, and observes: "the country must benefit from the continuing growth in Japan and South East Asia, and the current relatively weak market presents some interesting opportunities."

On the UK, it says that shareholdings may be accumulated at levels which could offer remarkable value in the medium to long term. "The UK," it declares, "offers the best fundamental opportunities in the world."

Gartmore Scotland's Scottish National Trust, reorganised into the UK's largest split capital investment trust just before the October crash, said this week that the revamp had already paid off.

Total net assets, according to its interim statement, marginally outperformed the FTSE 100 index over the six months to March 31 with a drop of 24 per cent against Footsie's 26. However, the market value of the new shares created by the reorganisation - capital and income shares, zero dividend preference and stepped preference - had only fallen by 12.2 per cent.

It said that the market value of the new package of securities had consistently traded at a premium to net assets since the stockmarket crash. The old shares were at a 10 per cent discount prior to the reorganisation announcement in late September 1, and had traded at a discount range of 8 - 33 per cent over the five years before that.



Finlay's hopes

JAMES FINLAY, the Glasgow-based trading and financial services company, has redefined the role of James Finlay Corporation, which groups its merchant banking and private banking services,

and has changed its name to James Finlay Bank. It expects to expand its services to private clients.

The bank's operations, originally established in 1973, include loan finance for corporate and property developments, private loans and mortgages, high interest deposit accounts and a range of corporate finance services for medium sized companies. Finlay notes that development capital funds managed by the merchant bank can invest between £50,000 and £500,000 in private companies.

Its managing director, John Ingleby, said in Glasgow this week that the bank and its subsidiaries employ 60 people and that it is the only merchant bank with its headquarters in Glasgow.

He added that, until now, the Finlay group's banking services, discretionary investment management, insurance services and



John Ingleby, managing director of James Finlay Bank

factoring had been carried out by separate subsidiaries. "Now these companies have been brought together, strengthening our base and giving new incentive to our

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Eric Short on problems facing life companies

Commission bombshell

THE NINE Scottish life companies between them have around 40 per cent of the UK market - but that share is now in jeopardy as they face problems they have never experienced before.

These do not arise from any deterioration in their expertise. They have long provided a top-class investment showing for their policyholders and all nine have figured prominently for many years in the with-profits performance tables. Indeed, they are still there, with Standard Life topping the tables for all terms.

Immediate business prospects look rosy, particularly with the introduction of personal pensions and the fresh opportunities in company pensions. New business results for the first quarter of Scottish Amicable and Scottish Life show a continued sales boom, particularly in self-employed pensions and mortgage-related business.

The problems facing the Scottish companies, and some English ones, relate to likely developments in marketing life policies and pensions in the new financial services environment.

Under the "polarisation" requirements of the financial services legislation, life salesmen must either be truly independent or represent just one life company. Under the best-advice requirements, independent intermediaries have to have a detailed knowledge of the complete market.

Financially, they must have an adequate capital base and conform to stringent accounting requirements - problems that company representatives do not face.

The reaction of the Scottish life companies was to link up with their English counterparts to



form the Campaign for Independent Financial Advisers (CIFA). This campaign has two objectives: first, to persuade intermediaries that there was a future in remaining independent; and, second, to induce the public to use independent advisers when buying life assurance, pension contracts and unit trusts.

The companies backing CIFA, with Scottish companies in the majority, have committed £7m to the campaign with plans for blanket TV and media advertising nationwide. Until this week, all the signs pointed to widespread success in both objectives.

Then came the bombshell. Lawro, the Life Assurance and Unit Trust Regulatory Organisation responsible for overseeing the industry, said it would abandon its industry-wide commissions agreement from the end of next year.

This means that, from 1990, all independent intermediaries will have to disclose to clients at the time of a sale the actual amount of commission they get. Company representatives have no such obligation.

The life assurance industry consistently has opposed full disclosure of commissions on the ground that it will discourage people from taking out policies and pensions. There is a real fear now that intermediaries will play safe and elect to be company representatives so that their clients still do business with them.

Certain English-based life companies, such as Friends' Provident Life Office, decided to ensure their new business sources by having both company representatives and using independent intermediaries.

To show their faith in CIFA, Scottish life companies undertook not to set up their own direct sales forces for at least 12 months, a commitment that was renewed recently. Now, though, they may have no alternative but to reverse this decision.

However, it takes time, trouble and money to set up a sales force, and the latter requirement poses other problems for the Scottish companies.

All except the Life Association of Scotland are mutual life companies and their only source of capital is internal reserves. Existing and potential new business developments have already imposed a drain, and setting up a direct sales force is extremely capital-intensive.

The companies are still trying to assess the implications of the announcement and it could take weeks to discover how the intermediaries feel. Already, though, the companies are looking into methods of restructuring the pricing of their contracts - no load and back-end loading - two possibilities - that would minimise the impact of commission disclosure and persuade intermediaries to remain independent.

Where loyalty is a way of life

Alliance Trust has a definite sense of history, says William Cochrane

INVESTMENT TALENT does not evaporate north of the Forth Bridge. It becomes more independent, more uncompromising, and it attracts remarkable loyalty from the private shareholder. Investment trusts began in

Dundee with the 22-year-old Robert Fleming in 1873, and Alliance Trust, the roots of which go back independently to the beginnings of the movement, is one of the most relevant to the private investment sector.

Private investors hold more than 40 per cent of Alliance's £200m of shares and the proportion is rising. This ratio is almost half as large again as that of the average investment trust and Alliance's investors, on average, are likely to retain their holding for at least 12 years.

History counts. The company stems from the October 1873 conception of the Oregon and Washington Investment Company, formed to lend money to immigrant farmers in the western US state of Oregon and the adjacent Washington Territory.

Its early years shaped its structure and were to lead to incorporation with powers and activities considerably broader than the conventional investment trust company. "We can do virtually anything in terms of looking after people's money," says Alliance director Gavin Suggitt.

People who come to work here know our style before they arrive," says Suggitt. "Young managers might not make their fortunes, but we all like working here."

The father of investment trusts... Robert Fleming, who started the movement in Dundee, Scotland, in 1873 when he was only 23

However, the company learned to be circumspect. An intriguing restraint in its early years was a standing order that no loan should be granted to any religious or charitable body, in view of the possible odium which might be attracted should foreclosure be necessary.

By the time of the First World War, the company's dividend was 60 per cent higher than on its formation and the price of the ordinary shares had risen by more than 60 per cent. Broadly in line with the growth in asset value, by comparison, says the company, retail prices in 1914 were no higher than they had been 40 years previously.

Alliance is also modest enough to remember its mistakes. A 1.2m-acre holding at Bletchley, east of Fort Worth, Texas, was bought in the 1880s and sold, undeveloped, in 1904 for \$22,000. Today, it is a prime residential area worth substantially in excess of \$50m.

Suggitt says that shareholders loyal to the company for three or four generations in some cases and that it has not been disturbed visibly by the events of last year when the October crash and dollar depreciation almost halved the net asset value of the fund while shares started at \$22m on January 31, 1987.

Looking back, they can hold onto the experience of the past 40 years which traces the ebb and flow of the equity. In this period, dividends rose by a multiple of 65 times and the net asset value of the fund rose by 47 times, compared with 13 times for the retail price index.

Looking at the past six months, shareholders were probably quiescent in the aftermath of the October crash by the distinctive, if muted, style of the management.

Alliance has no ambitions to become some sort of financial megahouse. It is an investment trust and its management is known by the Alliance name, rather than sharing itself with pension funds, unit trusts and other financial enterprises.

It is planned to be away from the turmoil of the big city. "So long as telecommunications operate and mail is delivered, there are definite attractions in being detached from the cauldron of 'rumor' in a large financial centre," says the company.

The Alliance is not interested in "gunslings" financial hitmen who major on hot air and short-term performance objectives. It wants people who are interested in the pursuit of excellence over a longer period, and who want a good quality of life and working environment rather than to get rich quickly.

"People who come to work here know our style before they arrive," says Suggitt. "Young managers might not make their fortunes, but we all like working here."

A reputation for performance

Christine Stopp looks at the unit trust industry in Scotland

AT THE END of last year, Scottish groups were managing £4.7bn - or 13 per cent - of the £36.3bn invested in unit trusts nationwide. The Scottish end of the industry has a character all its own and a reputation for performance.

Last week's Scottish Money Show awarded a prize for the best unit trust group, based on performance against the average across all sectors. Dundee was the winner and Scottish Widows, which came first last year with its Pegasus Trusts, was runner-up. On the same basis, Dundee was ranked seventh against the industry as a whole.

In terms of marketing philosophy, the Scottish groups are not typical of the industry as a whole. Most run a relatively

small number of funds, of general rather than specialised character. They tend to prefer steady, stable growth to the meteoric but fickle rush of interest generated by Belgian Whifflet Trusts and the like.

The Scottish unit trust industry is a new phenomenon: 13 of the groups have launched trusts only since the start of the 1980s. So, why are venerable institutions like Scottish Widows and Dundee, the oldest investment trust of which dates back to 1879, getting in on the unit trust act?

The received wisdom where investment trusts are concerned is that groups see no future in their traditional product and are looking for something new to boost revenues in years to come. But David Skinner, managing director of Martin Currie, which owns Scottish Unit Managers (SUMs), takes great exception to that theory.

He thinks the two products can exist side by side and says: "Some people will always be unit-trust buyers. Some people's natural home is investment trusts. We haven't been purely an investment trust group for five or six years. It's now only 30 per cent of our business."

With SUM's recent UK recovery trust launch attracting only £800,000 against an expected £4m, Currie might have to be patient for a while before the unit trust arm, with £70m under management, pays its way as part of a group with total funds of £2bn.

"It is something we're serious about," says Skinner, who has just appointed unit trust fix-it



David Skinner... products can exist side by side

man Alan Maidment (ex-Wardley, ex-Oppeheimer, ex-Britannia) to set the group on course.

Scottish Widows has had a name for insurance protection since 1815 but it has been managing unit trusts only since 1986. With single investment becoming more important, it was decided that unit trusts were the way to go.

"We categorically intend to become a major force in the unit trust market," says assistant marketing manager David Graham.

Although marking time at present because of the market downturn, the group intends eventually to launch a regular savings plan and possibly a new style "managed" unit trust that

would include property and cash.

Graham thinks the group has several advantages in the unit trust sphere: greater research resources, with many direct contacts in the markets where smaller groups would go through brokers; a tendency to look long term; and a good deal of muscle when it comes to systems - something for which customers may have cause to be thankful at a time when administrative difficulties are rife in the industry.

One might also add that the Widows has a reputation to keep up and a long history - both reassuring factors when you are looking for a long-term home for your capital.

Dundee unit trust managing director John Wood also quotes the long-term view, coupled with consistency of performance, as lynchpins of the group's investment philosophy. His dilemma is how to get the group's name known to a wider audience and how to educate the consumer to an investment view which believes in a geographical spread rather than high-risk specialist trusts.

Dundee works hard at efficient administration and at keeping investors informed. As investment managers, says Wood, "we're a little bit Scottish, too - there's no harm in that. We are further than most from the fray."

Many Scottish groups make a virtue of being based in Edinburgh, away from the fast-moving intensity of the City of London.

Investing in a Scottish unit trust group is not a guarantee of performance. Some groups do better than others, and each has its successes and failures. The philosophy is distinctive: generalist funds for steady, long-term performance rather than specialist launches by the handful. And although new to unit trusts, many of the groups have a pedigree which suggests that management competence can be taken as read.

Ambition rules

William Cochrane on three Aberdonians who are thinking big...

THE LOWLY rating of the investment trust sector in 1985 brought out takeover predators, or the threat of them. Of the two investment trusts that were managed from Aberdeen, Scottish North-eastern was utilised and transferred to Murray Johnston in Glasgow.

Aberdeen Trust, similarly utilised, had its administrative, marketing and investment management functions parcelled out, with the latter going effectively to its three executive directors - George Robb, Martin Gilbert and Bonnie Scott Brown.

They are now incorporated as Abtrust Holdings and managing £140m of funds, or twice the amount with which they started in 1985. Of that, £95m is in unit trusts, £4m is pension fund money, £24m comes from private clients and "other" sources, like charitable funds, account for £12m.

Abtrust's unit trust performance, says Robb, is the best in Scotland. But this year it will have to perform against a bigger geographical backdrop following its acquisition last December of Baltic Fund Managers, which gives the company a staff of 25 in Aberdeen and 15 in London.

A month ago Abtrust acquired Atlanta Unit Trust Managers, highlighting its determination to get bigger in this business. Yet, one of the most intriguing things

about the management is that it is prepared to put a lot of personal effort into a relatively minuscule offshore.

In September 1986, after mulling it over for some time, the trio formed an investment company to specialise in providing investment advice to companies in the north of Scotland. "We weren't proving a geographical point," says Robb. "When the two Aberdeen investment trusts were utilised, it left a gap in the market because unit trusts cannot so readily be unquoted shares."

The North of Scotland Investment Company is now capitalised at around £5m and its principal aim is to invest in unquoted companies. Oil industry service, cable television network installation and a clutch of northern hotels form part of its collection.

Just to confuse matters, in 1987 Abtrust also acquired the North of Scotland Finance Company, a small house which has traded successfully since 1932, and increased its capital to £5m to allow the new subsidiary to run a secured lending business.

It is hoped that the Bank of England will allow the finance company to acquire a licence to take deposits and develop gradually Abtrust's banking arm. The corporate finance services of the group are also now being provided through this subsidiary.

Abtrust has big ambitions. It sees a lot of scope in being the only independent in the north of Scotland, and its appetite for acquisitional growth seems likely to keep it in the public eye.

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TRAVEL

To start our two-page Scottish Travel Special, Martin Hoyle describes the Jekyll and Hyde nature of Scotland's capital, one of the great European cities. Its neo-classical grace outdoes Bath. And we take a luxury train ride north of the Border.

Edinburgh — the genteel and the sinister

THERE is a school of thought, probably originating among Yorkshiremen but not confined to them, that the further north you go in the British Isles the more civilised life becomes. Edinburgh remains the living proof of this, though — as elsewhere — civilisation has been acquired at the price of a certain schizophrenia.

For Edinburgh is the Jekyll and Hyde city. One local son, the respectable Deacon Brodie, inspired that chilling tale of dual personality from another (Robert Louis Stevenson), and until recently the sedate and the sinister rubbed shoulders.

Even in the Sixties one turned from the elegance of Princes Street to its (literal) parallel, the narrow Rose Street, with its red light areas and occasional pubs that smacked more of pre-war Berlin than the granite strongholds of John Knox. Up in the Old Town police would warn festival-goers to travel in groups at night along those cobbled wynds and closes, and a stage production of the Dylan Thomas screenplay about body-snatchers Burke and Hare had nervous playgoers scuttling back to their lodgings as if expecting the murderous meat-suppliers to emerge from the towering tenements or darkened alleyways.

For, like the Scots character, Edinburgh is a mixture of the repressed and the riotous. The duality is still apparent, despite the blandness concomitant with tourism, development and breathtakingly crass local government. Just below the castle, the church of Tolbooth St John has the builders in. It no longer advises us in Gaelic about services in the old tongue but promises "the Edinburgh experience".

Rose Street is the ultimate in pedestrianised chic. Princes Street is now your average High Street — albeit boasting a staggering view — with tell-tale signs of the unbelievable, mercifully aborted, plan for Sixties uniformity (ground-floor shop-fronts, first-floor walkways) borne like crippling battle-ears.

Yet the city is one of Europe's marvels. As Muriel Spark's Miss Jean Brodie never tired of telling her charges, Edinburgh is a great European capital. The Englishman feels he is abroad: those stepped gables and jostling courtyards have more in common with continental Europe than south Britain — the town of Hume and Adam Smith and Smollett.

The medieval city-plan can be discerned in the Royal Mile, the road that slopes from the castle on its peak down to the palace of Holyrood House, and the tenement courtyards and alleys that lead off it — from one of

which Wordsworth beat a distressed retreat to avoid the urchins who, spitting on him from an upper window, combined nationalism with literary criticism.

But the Enlightenment (much more marked here than in London) has an enduring monument, built as the result of a competition in 1766, a staggering example of modern town-planning in its neo-classical grace and stateliness. Forget Bath, ignore Brighton: Edinburgh's New Town unfolds in a series of terraces, Corinthian crescents and lusciously curved crescents, all as stuffed with leafy parks and gardens as an expensive chocolate with liquor.

If Charlotte Square is the Adam masterpiece, the whole New Town

'The city is one of Europe's marvels. The Englishman feels he is abroad... those stepped gables and courtyards.'

offers constant surprise: the rakish oval square of Ainslie Place a Royal Circus more joyous than its Bath namesake, set on a slope like a warped gramophone record; the smaller streets for the artisans and tradespeople, equally perfect, reminiscent of Bath before the council-perpetrated idiocies of the last 30 years; the blend of Georgian, Regency and early Victorian.

A stroll along George Street, the spine of the Hanoverian development, constantly ambushes you with views of the castle rock and the medieval city on one side, and on the other the Firth of Forth where the North Sea nudges between Loshian and the green hills of the kingdom of Fife.

Prim, seductive and secretive as the swirl of a crinoline, the New Town traditionally regards the teeming, repulsive medieval city across Princes Street gardens with genteel disdain (and nobody can be more genteel than an Edinburgher), but she has her own ambiguities. Burke and Hare may have pilied their trades in the Old Town, but their employer, Dr Knox, lived in the New. And there he remained, after the ruffians had been brought to justice, a black-clad bogeyman freed with that most disapproving, purse-lipped Scots verdict of "Not Proven", frightening and thrilling the local children in those classically-correct pillared squares.

Like all great cities Edinburgh is made up of villages, none more compact or discrete than Dean. Alas, the serenity of discovering this almost deserted jumble of mills and warehouses, towers and cottages, one sunny afternoon is merely a memory; gentrification and tactical development have put the hidden hamlet nestling in its valley on the banks of the Water of Leith (it should be Lethe) on the map.

Buildings from the 17th century to the 19th are flanked by green slopes and the backs of tenements high in the distance; the red pinnacles of a Victorian philanthropist's baronial extravaganza form an apocalyptic focal point to this fairy-tale town. The sound of rushing water belies the village's central position; you hear no traffic, but Princes Street is a few yards away.

Dean Village is entirely residential. Among communities with shops and urban amenities, Stockbridge has the whiff of a less pretentious Hampstead, a less phoney Clifton. Its terraces and crescents beside the Water of Leith, advance towards the lovely Botanic Gardens (where the panoramic views of And Raekie's spires look absurdly like painted backcloths) and come to rest at the Colinton, an enchanting early Victorian experiment in artisan housing: miniature terraces of two-storey houses, each one a pair of flats, each with separate entrances — including external staircases — in different streets.

The real difference between Edinburgh gentrification and London splendour is dramatically underlined by the port of Leith. To compare its recent rejuvenation with London's dockland is tempting but misleading. No communities are uprooted here, nor does the development result in artificial transplanting to hothouse residential areas a few minutes by car takes you from the waterside restaurants and converted warehouses to the centre of Edinburgh (equivalent compactness is unthinkable in London). Above all, property prices are geared to normal people, not speculatively-minded gamblers.

While in Leith an incidental pleasure, which could easily become central, is to be found in a characterful stone pile, a modern club in an 18th century setting above 13th century vaults, where the Scotch Malt Whisky Society continues the great Scots tradition of civilising the outside world. The English traveller may relish the exhilarating foreignness of Scotland, but not — happily — to the extent of needing a passport for the most fascinating city in Europe.



Castle Hill, top of Royal Mile, Edinburgh

BRIEFING

Road to the Isles

BRITISH Airways (01-887-4000), British Caledonian (01-985-2222), British Midland (01-981-999), Air UK (01-442-7978) and Dax (01-442-1747) fly to Scottish destinations. Fares start from £79 return to Glasgow.

By road, the M1 and M6 are the quickest routes. Edinburgh and Glasgow are about 400 miles from London, so allow a comfortable eight hours, including stops.

British Rail Inter-City travels from London to Edinburgh or Glasgow (from Kings Cross or Euston respectively) in about five hours from 142. Overnight sleepers operate from London and Bristol to Edinburgh, Glasgow, Dundee, Perth, Aberdeen and Inverness. Details from British Rail (01) 387 7070.

FOUR major British travel agencies have combined with British Airways to launch special interest holidays in the Orkney and Shetland Islands. Bird watching and trout fishing are among the programmes offered. A six-night self-drive trip starts from £213, with flights from London, Birmingham, Manchester, Edinburgh, Glasgow, Aberdeen and Inverness.

GREATER Glasgow Tourist Board is offering to arrange tailor-made holidays to coincide with the city's Garden Festival. Accommodation offered in and around Glasgow includes city flats, traditional cottages, modern chalets and even caravans, as well as city centre hotels and country house hotels. Potential visitors are invited to complete a form detailing the type, and cost, of accommodation they seek. Further details from Greater Glasgow Tourist Board, 39 St Vincent Place, Glasgow G1 2EK. Tel: (041) 227-4955.

ABERCROMBIE & Kent has launched a programme of all-inclusive Scottish country house weekend breaks. For £240 per person, the company offers return flights from London, car hire and two nights full board in one of six Fife or Argyll Scottish country house hotels. Fishing, shooting, riding, tennis, croquet and golf can be arranged.

Further details from Abercrombie & Kent Travel, Sloane Square House, Hobson Place, London SW1W 9NS. Tel: (01) 730-9600.

ABERDEEN University is offering seven-day guided walking holiday for £160. Including meals and accommodation in the university's Johnston Hall, Old Aberdeen. Grampian Wild Land Guides will lead tours on Donnie and Royal Deeside, exploring the wildlife and fauna of the hills and moors.

Other tours available during the university's summer vacation include study breaks on castle heritage, the natural history of north east Scotland and genealogy. Activity holidays include cycle touring and archery. Further details from Kings College, Aberdeen AB9 1FX. Tel: (0224) 272664.

THE Scottish Tourist Board produces an excellent publication listing events in Scotland throughout the year, from Glasgow's Mayfest to Pittenweem's Strawberry Fayre and the Banff & District Accordion and Fiddle Club celtic.

Contact the Scottish Tourist Board, PO Box 15, Edinburgh EH1 1JY. Tel: (031) 382-2433. In London, the Scottish Tourist Information Centre is at 19 Cockspur Street, Tel: (01) 590-9661/2/3.

AMONG Scotland's superlative pleasures are its gardens.

Scotland's Gardens Scheme at 31 Castle Terrace, Edinburgh, publishes a list of public gardens open daily and to the public at certain times of the year.

Inverewe in Wester Ross, which benefits from warm Gulf streams, boasts thriving exotic species, as does the public garden in Port Logan, Galloway.

The National Trust for Scotland at 5, Charlotte Square, Edinburgh, provides information on Scots gardens as well as on the many Scottish castles and fortified houses which span the medieval and Victorian ages.

Annalena McAfee

Annalena McAfee joins the Royal Scotsman on its stately journey through the magnificent countryside of Caledonia.

Slow train to Inverness

THE TRAIN was running late, we were told. Passengers took the news with equanimity, even pleasure. They settled back in their plush upholstered seats, sipped their pre-prandial cocktails, talked of polo, tax, primaries and antique plumbing and watched the unfolding splendours of the Scottish landscape. The latter the better.

The Royal Scotsman, with its meticulously restored Victorian and Edwardian carriages, is all laid-back luxury. At £2,600 for six days, perhaps that is as it should be. Its lure to overseas visitors has proved so strong that it earned its owners, The Great Scottish & Western Railway Company, a Queen's Award for Export last week.

Five years ago, the company was operating the Highland Belle, comprising two leased antique carriages and accommodating six passengers and a crew of four. It earned an article in *The New York Times* and within a week the luxury train was booked for the next three years. Unfortunately, the carriages were due to be returned the following week.

But Gerard Morgan-Granville, the company's chairman, was naturally reluctant to turn away such business, so he set about

acquiring the historic carriages that were to form the Royal Scotsman. Perhaps the acquisition that pleased him most was the 1882 observation car, used by the Caledonian Railway of which his grandfather was chairman.

Fresh flowers in every cabin, from stateroom to single, the finest food by French-trained chefs and a barman whose clairvoyant qualities and sleight of hand suggest membership of the Magic Circle — all are characteristics more indicative of the finest hotel and a long way from received ideas of rail travel.

There are, of course, other luxury trains, but only the Royal Scotsman stresses a leisurely pace to the extent that every night is spent parked in sidings rather than on the move, to ensure that passengers get a sound sleep. With only 28 passengers accommodated in a total of 30 carriages, there is plenty of space. Interruption with fellow passengers is courted rather than endured.

"We appreciate the hospitality of our ancestors," one American wrote in May 1985 in the visitors' book, housed in the elegant wood-panelled library carriage. The gentleman with

such a strong sense of history and identity hailed from Atlanta, Georgia, and went by the name of Dante Stephenson. Returning descendants of those shifted brutally from Scotland in the Highland clearances, and those with more dubious claims to the kilt, are pampered like lairds as they journey through mountains, moors, glens, and forests.

A New Yorker who wrote in the visitors' book that she found the Royal Scotsman "a nurturing experience," might well have been referring to the standard and quantity of the food. Working their way through an impressive selection of malt whiskies, passengers hear stories of Scotland's old folk and its wild alliance, of Bonnie Prince Charlie and the fair Flora.

Scottish Tourist Board guide John Cowan, a redundant explorer from Clydeside, sports a kilt and winningly sings "My Love is Like a Red, Red Rose" and the "Bonnie Bonnie Banks of Loch Lomond."

The itinerary takes in both east and west coast as well as the central Highlands and includes guided trips by coach to castles Skirling, Glamis and Brodick. Throughout the six days, passengers are also invited into the pri-

vate homes of the Scottish gentry, reinforcing the sense of privilege.

A steam locomotive replaces the diesel engine on the Fort William to Mallaig route. Passengers travel on the spectacular North Highland line from Inverness to the Kyle of Lochalsh, considered by many railway buffs to be among the best rail journeys in the world. From there they journey to the Isle of Skye, where the talk is again of Bonnie Prince Charlie. Here John Cowan promises to teach passengers the "Skye Boat Song."

But it isn't mere tartan tourism. The Royal Scotsman offers a means of seeing one of the most beautiful countries in the world in constant comfort, at a leisurely pace, away from the tourist traffic at the height of the season and, possibly most important, out of the rain.

The cost of a six-day tour starts from £2,340 per person. Fares for a three-day tour of the west start from £960 and a four-day tour of the north and east starts from £1,280. Journeys begin in Edinburgh. Booking through Abercrombie & Kent, Sloane Square House, Hobson Place, London SW1W 9NS. Tel: (01) 730 9600.

Angela Wigglesworth goes on a Seafari to the islands of Muck, Rhum and Eigg

Hebridean overture with birdsong

EIGG has a population of 70, Rhum 40 and Muck 30 and it is to these three small islands of the Inner Hebrides that boatman Murdoch Grant is running his new Seafari holidays. "We found many people wanted to see more than one island but because of the official ferry time tables, they seldom managed to do so," he said, as we sat in the cosy saloon of his twin-engine boat, MV Shearwater, heading for Eigg (pronounced eeg) 12 miles across the water from the mainland. "On the Seafari they'll have two nights on each island."

Eigg is five and a half miles long by four wide. Cormorants and seals perch on the harbour rocks, and golden eagles nest in the Sgurr of Eigg, a 1,291 ft high block of pitchstone lava that seems to watch like a crouching lion over the island. The island's owner is Keith Schellenberg, who bought it in 1976 and planned to create a craft centre there. But the project failed. Some of the young craftsmen stayed on and now sell their work from Maggie Fyfe's hospitable kitchen.

There are two main communities, and on the road between them lie the village shop, the primary school for nine children, a church and the doctor's house. To

the north are the Singing Sands (so called because of the sound the rounded grains of quartz make when rubbed underfoot) a wood where otters play on the beach and the rocks are strangely shaped.

We reached it by walking across the fields from Glasdale, where narrow burns channel the soft grass, a sweep of pink heather and golden bracken on the hills. To the south east are the ruins of the tiny chapel of St. Donnan, the 7th century priest who brought Christianity to the island; and a graveyard where Catholicism is buried close to the chapel, the Kirk of Scotland islanders relegated to the outskirts. The Reformation, I was told, never reached Eigg.

We found an almost hidden path through the woods around Kildonnan Bay where the light at mid-day was as white as moonlight and a solitary grey heron stood motionless on the sand. We

gathered handfuls of tiny shells on Cowrie Beach and found golden chanterelle mushrooms in a wood where a spectacular waterfall gushed down sheer rock through the pine trees.

At Grumlin we saw all that remains of crofters' once-busy cottages, now just a haunting jumble of low stone walls. On the shore below is the huge MacDonald Caves where in 1877 the MacLeods of Skye suffocated 385 islanders seeking refuge there, by lighting a fire at its narrow entrance. A few hundred yards to the west is Cathedral Cave with its high arched roof, the inner chamber used for services during years of religious persecution.

Feggy Kirk's 300-year-old farmhouse on the edge of Laig Bay is a lovely place to stay. The bedrooms are prettily decorated and mine had magnificent views across the bay where the surf roars up one and a half miles of white sand. Mrs Kirk is an exal-

lent cook: broccoli soup, smoked mackerel quiche and whiskey pudding for dinner one night, real porridge for breakfast.

There were gourmet meals, too, on Muck, the smallest of the islands at two miles across by one deep. Lawrence MacEwen farms its 1800 acres and his brother Ewan runs the eight-bedroom hotel (the only hotel) that took him six years to build and where he now does all the cooking. From the restaurant window you can, in ten minutes, see the sky change colour as many times.

You can walk round Muck (Gaelic for Island of Figs or Foxes) in a day and that, said Ewan, is part of its attraction. "People feel they belong here very quickly, and with six sandy beaches and no cars it's ideal for families with young children."

I climbed Ben Ainein, at 457 ft the highest hill on the islands, passing the beach where in Napo-

leonic times they burned seaweed to make gunpowder. At the top there was a marvellous if misty view of the mainland and other islands. Skylarks sang here in early summer, puffins drop in for a few months in May, and it's home for buzzards and kestrels. In fact over 50 species of birds nest on Muck. At low tide you can walk across to Horse Island, a mass of wild flowers in summer and a haven for gullinots and shags.

Each island is completely different in character and landscape, and Rhum startlingly so. Eight miles by eight and a half, it's wild, mountainous and bleak. Some 600 years ago its peaks were pushed up from the earth's crust by volcanic action and most visitors come to explore its natural history and geology. In 1957 it was bought by the Nature Conservancy Council to use as an outdoor laboratory and its employees are the only perma-

nent residents. You can walk over rough tracks to see the giant crater, climb rugged peaks some 2000 ft high, and see red deer, grey seals, golden eagles, Rhum ponies and Highland cattle. It has the largest colony of Manx sheeps in the world and in summer orchids, gentians, primroses and bluebells grow in profusion.

It also has Kinloch Castle, built in 1901 by the island's owner, Sir George Bullough "the stone embodiment of good King Edward's reign," according to John Bettlemann. It's now run as an hotel and little seems to have changed since those early years, including the central heating system. Lady Monica's Withdrawing Room, and the chandeliers, the room with minstrel's gallery. In the hall, an orchestra (macphacal organ) built for Queen Victoria, plays 264 operas. The bath-rooms are resplendent with mahogany-encased baths whose

many brass lever taps shoot out water at various body levels, producing a kind of Victorian Jacuzzi.

You can also stay at the island's only shop and Post Office, where Patricia and James MacEwen will give you a friendly welcome, excellent dinner (roast venison when I was there), comfortable bed and good breakfast.

The Seafari isn't a guided tour but it is a marvellous way to see these tiny islands and discover their wild life and wild flowers and that very special quality that only small islands have. If the weather isn't good enough for the Shearwater, you can take one of Caledonian MacBrayne's much larger ferry boats.

The Seafari runs from May to September and costs £287 for one week or £187 if you forego the grandeur of Kinloch Castle for the MacEwens' more modest accommodation. The price includes transport by boat from Arisaig near Fort William; bed, breakfast, evening meal and picnic lunch. Arisaig can be reached by rail from Fort William. British Rail runs a sleeper from London that takes about 12 hours but, inexplicably, there is no restaurant car or Great British Breakfast.

DIVERSIONS

The Prince and Princess of Wales visited Scotland's second city yesterday to open its festival. Arthur Hellyer and Martin Hoyle report

Glasgow — more at home with a garden

EVERYTHING HAS gone right for the Glasgow Garden Festival 1988. The Government, Glasgow District Council, the Scottish Development Agency, joint owners of the site with Laing Homes, the organising company, and the public have all been in accord and enthusiastic about the project.

The 120-acre site, all derelict dockland, had none of the problems of accumulated town and industrial waste that plagued Liverpool in 1984 and Stoke in 1986. Small amounts of zinc and boron left by a galvanising plant were quickly despatched to a proper depository to be buried safely, and so there was no need to import enormous quantities of soil to build up hills and cover debris.

Instead, the flatness of the site and the great basin, in which ships were laid to have barnacles removed, were accepted and exploited. The Clyde flows along the north of the site, and the city's panorama surrounds it — far more visually exciting than the generally supposed. The outlines of the tower of Glasgow University and other fine buildings, fabricated in primary colours, have been used dramatically in High Street, the busy avenue of shops and stalls, which leads from the new footbridge across the Clyde to the ingenious Central Milling Space. This space serves as a rendezvous and dispersal area for visitors to all parts of the exhibition.

Not an inch of space has been wasted. Every few steps one must halt to take in something new, sometimes amusing, sometimes beautiful, often instructive. I have no doubt that those who come once will want to come again, since there is far more to see, even in the permanent exhibition, than could possibly be covered in a single day.

Add to that 27 special shows and thousands of special events, sometimes as many as 70 in a single day, and it is easy to see why the organisers are confident that those who buy season tickets are likely to visit at least ten times. Since more than 100,000 of those tickets had been sold before the show opened, that would seem to guarantee at least 10 through the turnstiles by September 26.

When day-ticket buyers are added to this, it is easy to see why everyone is confident that the break-even figure of 3m visitors will be achieved easily, and the organisers are already looking for a further 1m on top of that.

The entrance charged for adults is £5 and for children £2.50, and this covers all the events and the special features. It will allow you to travel free on the trams to and from the east entrance to the top of High Street as many times a day as you wish.

The miniature railway is there to take you free right round the perimeter of the main exhibition area, including the cauldron basin, the river entrance now spanned by a bridge. Without any extra charge, you can be lifted 240 feet above the exhibition in the comfortable slowly rotating cabin of the Clydesdale Bank Anniversary Tower to see it all spread below you like a map and to enjoy extensive views of Glasgow and the Clyde.

For real gardeners there are plants by the thousand, all clearly labelled with their botanical and common names and countries of origin. This expertise is carried a stage further in the butterfly house in which rare butterflies fly and their caterpillars crawl among tropical plants, which include a selection of those specially collected for the festival by an expedition to Papua New Guinea jointly mounted by the University of Glasgow and the Glasgow Botanic Garden.

Here, many of the new orchids, begonias, filmy ferns, and so on, which the collectors brought home, have still to be named precisely, but each is identified as far as possible and bears the initials of the collector and the reference number it was given when it was collected. That brings one very close to the thrill of discovering previously unknown species.

Since there are far too many gardens to be described individually, I will take just one as an example, which is both typical and entirely Scottish. This has been made by the National Trust for Scotland to illustrate the range of gardens under its care from the 17th century formality of Pitcairney to the 19th century landscape of Brodick Castle and Inverewe and 20th century ingenuity of Crathes Castle.

It is entirely appropriate that this fine half-acre garden beside the river and almost beneath the slender Clydesdale Bank Anniversary Tower should have been constructed by Dobbles Nurseries, one of Scotland's oldest and



most respected firms. When I visited the garden last week, the flower beds were filled with pansies, and there were rhododendrons in plenty in the woodland section as well as tree ferns and palms — an indication of just how mild the west coast can be.

Trees and grass are two items which distinguish this festival from its two predecessors. Previously these tended to look a little tired and unestablished. Here the grass everywhere is in perfect condition and the big well-shaped trees are properly spaced and not one is damaged or dying. I have the feeling that a team of Royal Horticultural Society employees is waiting to rush in and relay any sections of lawn accidentally damaged. The trees are robust and securely staked.

Some 26 of the 27 flower shows will be two to four-day events staged in the indoor show pavilion. They will include shows organised by the Royal National Rose Society from July 30 to August 2, the Royal Horticultural Society from August 5 to 7, and two by the National Association of Flower Arrangers from August 9 to 11 and again from September 12 to 15.

In addition, there will be a Grand International Show from July 1 to 10, which will be staged

across the river in the splendid Scottish Exhibition and Conference Centre. Here there will be an international panel of judges under the chairmanship of Lord Abernethy, and it is hoped that in style and quality the display will rival those of continental floraries on which it has been modelled.

Another indication of the involvement of Europe, despite the fact that the festival has not been called international, is that the National Belgian Vegetable Show is to be staged in the indoor show pavilion from September 5 to 8 immediately before the British National Vegetable Society's show from September 9 to 11. Out in the open festival site there are 20 international gardens or exhibits from countries including China, Japan, the USSR, the US, Mexico, Pakistan and Australia.

An indication of the attention to detail that has gone into this show and the degree of rapport with the local population is that, last Sunday, 26,000 Govan residents came in free for a trial run before it was officially opened to the public yesterday by the Prince and Princess of Wales. It will now remain open daily until September 26 from 10 am until one hour before dusk.

A.H.

BLACK Queen and Red Queen, Edinburgh and Glasgow glower at one another across the narrowest point of Scotland's girth. Auld Reekie's soot-sable grey volcanic facades face the refurbished glow of Glasgow sandstone a trifle redder than usual. The approach of 1990 and Glasgow's young apotheosis as European City of Culture has fluttered the doo-doo of the visual arts, reportedly caused concern at ministerial level and has caused local wags to rebaptise the sumptuous baronial pile that houses the Art Gallery Kelvingrove.

Lack of preparedness for a major exhibition contrasts with other C of Cs like Florence (a Donatello blockbuster) and Paris (Chagall and the Impressionists).

Fancy a cuppa, then? One of the exhibits at Glasgow's Garden Festival. For those in search of thrills, there is a gigantic Coca-Cola roller-coaster for the young and the brave

It lends weight to those who maintain that Glasgow gives a lower priority to the visual than the performing arts, cynically underlined by the downgrading of the post of the head of the magnificent Burrell — not to mention the indifference of the smaller Glasgow galleries who ignored requests for suggestions.

The ultimate humiliation is the appeal to Edinburgh's treasure chests for the total of £1m at a government level that something must be done to widen access to the capital's accumulated art goodies, establish a gallery of international standard, and to rouse Glasgow's flagging interest. (Last year attendance at Edinburgh's National Gallery of Scotland was up by 34 per cent.)

Meanwhile, Glasgow is much happier launching the third Garden Festival. A century ago the then Prince of Wales opened a Great Exhibition; fifty years ago to the month the city hosted the Empire Exhibition; and the present junket spread over 40 hectares of disused dockland on the south bank of the Clyde bids fair to roll them all into one, with the Festival of Britain thrown in.

Sponsored by Bell's Whisky to the tune of £25m, a new bridge has been thrown across the river to a competition-winning design, slender, light-coloured, the longest opening pedestrian swing span in the world. This leads to the spatial equivalent of 80 Wembley Stadiums where, apart from the abundance of gardens, you can stroll down a Victorian high street (the city's most prominent spires have been reconstructed in lego-like style, blue, red, green and orange), immerse yourself in Scottish science and technology in the Crystal Pavilion, play havoc with your digestive and nervous systems on the Thrill Ride — a lethal-looking combination of switchback, big wheel, roller-coaster and kamikaze sponsored by Coca-Cola — have a go in the more neglected spots here sponsored by Celtic FC (another 'centenary') and risk your way through street performers and fashion parades.

A note of complacency is detected in Glasgow's shrewd observation of the previous British Garden Festivals. There will be none of Liverpool's 1984 recriminations over what to do with the post-war site. Already the area is earmarked for a mixture of light

Continued on Page XI



FROM GREEN FINGERS TO WHITE KNUCKLES.

Take a trip out of this world at the Glasgow Garden Festival 1988.

Go round in circles as you whizz round our 120 foot Coca-Cola Roller at over 50 miles per hour. You'll soon appreciate that the Festival is not just for pansies.

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A DAY OUT OF THIS WORLD.

Arthur Hellyer takes time out from Glasgow's festival to look at other garden delights

In Scotland's leafy dells alone

SCOTLAND IS full of fine gardens, many of them open to the public, so anyone visiting the Glasgow Garden Festival and with a little time to spare should try to see at least some of them. An hour or so would suffice to take in the Botanic Garden beside the Great Western Road right in the city, and Pollok House, a couple of miles south of the festival site in Pollok Park which also contains the magnificent Burrell Collection which won the Museum of the Year award in 1985.

The Botanic Garden is notable for its beautiful curvilinear greenhouse, known as the Kibble Palace, and also possibly the finest collection of begonias and filmy ferns in Britain. The garden at Pollok House is an ingenious combination of formal, lavishly-planted terraces and well-ordered woodland. Both are open throughout the year, the Botanic Garden from 7am to dusk and Pollok House from 10am to 5pm weekdays, 2pm to 5pm Sundays.

Given a full day to spare, you could take the ferry from Ardrossan to the Isle of Arran and visit Brodick Castle in Brodick Bay at the foot of Goat Fell. Here are some of the most sheltered in Scotland in which the large-leaved rhododendrons of the eastern Himalayas thrive better than almost anywhere else in Britain.

The flowering season of most will have started by the time the Glasgow festival opens, but there are many other fine things in this favoured garden including great drifts of the moisture-loving Asiatic primulas, at their best in June/July. It is open daily from 9.30am to sunset.

About 40 miles to the south of Glasgow, near Maybole, is Culzean Castle, a splendidly-roman-

tic Adam building perched high above the sea with a deeply-sunk, well-protected formal garden on the landward side, an extensive country park and an excellent restaurant. This also is open daily from April 1 to August 31 from 10am to 6pm.

More horticultural excitement await gardeners travelling further south to Dumfries and Galloway. Here are Castle Kennedy and Logan, near Stranraer; and Threave Garden, near Castle Douglas. The first two are open April to September from 10am to 5pm, and Threave all year from 8am to sunset.

Castle Kennedy is a romantic ruin on top of a little hill between two lochs, with a great avenue of monkey puzzle trees leading to Lochinch, the home of the Earl and Countess of Stair whose ancestors made it all. There are also thousands of rhododendrons, azaleas and other beautiful shrubs and trees. Logan, once a private garden but now owned by the Royal Botanic Garden, Edinburgh, still contains most of the astonishing collection of exotic plants built up by the Hanburys and other owners. Threave is run by the National Trust for Scotland as a training school for gardeners and is a fine example of how to retain order and delightfully-sweeping lines of design, yet grow a great variety of plants.

Should you decide to travel east or south-east from Glasgow, you could visit the great woodland and forest garden at Dawyck, rich in rhododendrons, Himalayan blue poppies and daffodils which, in this cool climate, can be still flowering in May. The garden is now run by the Edinburgh Botanic Garden and is open April to September from 10am to 5pm.



itself is in Edinburgh, beside Inverleith Road on the north side of the city, and from its immense rock garden, and also the hillock on which the restaurant sits, there are magnificent views of the city, castle and Arthur's Seat. The new plant house is unique and the collection of plants incredibly rich. The Botanic Garden opens on weekdays at 8am and on Sundays at 2pm and always closes one hour before sunset.

Falkland Palace in Fife is a very ancient building with a mid-20th century garden designed specially by Percy Cane to bring out its romance and beauty. It is open between April 1 and September 30, weekdays from 10am and Sundays from

2pm, closing at 6pm. It opens in October at the same hours but on Saturdays and Sundays only.

Edzell Castle, in Tayside, needed no such modern addition since its exquisite formal garden, enclosed in richly-carved walls with niches for flowers and busts and holes for nesting birds and bees, is preserved marvellously. Built by Sir David Lindsay in 1704, it is the oldest complete garden surviving in Britain. It is open from April 1 to September 30 daily at 9.30am weekdays, 2pm Sundays, closing at 7pm.

There is another very old garden at Pitmedden, 14 miles north of Aberdeen, but it lacks the originality and charm of Edzell Castle. Nevertheless, it should be seen, for few of these 17th-century gardens remain. It is open daily from 9.30am to sunset.

Closer to Aberdeen, at Banchory, is Crathes Castle, perched on a hill in what seems a very exposed position; and yet, in its cleverly-compartmented gardens, a great many plants thrive that would be too tender for most southern gardens. It is open daily from 9.30am to sunset.

Near Crieff, on Tayside, Drummond Castle will astound newcomers with its enormous 13-acre portico, patterned elaborately and revealed suddenly after you have passed through a dark tunnel and reached the head of a lavishly-ornamented stone stairway leading down into it.

Gardens of a totally different kind await visitors travelling north from Glasgow. They are, for the most part, much wilder than those of the east and south, full of rhododendrons and azaleas which love the peaty soil and moist climate, but also with great trees, many of them coniferous, and surprises like palms and cordylines which seem to belong to

much sunnier places. Visitors could stop first at Beaumont, also known as the Younger Botanic Garden, another annex of the Edinburgh Botanic Garden and the one in which the finest rhododendrons grow. At the entrance is a superb avenue of wellingtonias, and the garden continues some way up the mountainside.

Even craggier is the prospect awaiting visitors at Crazeas Lodge beside Loch Fyne, a little south of lovely Inveraray. Much of this garden is in a natural gorge, from the steep sides of which large bushes grow. There are all manner of treasures for plant-lovers here and also at Achamore House on the little island of Gigha, where the late Sir John Horlick established another astonishingly varied collection of plants. To reach it you must take the ferry from Tayinloan, but it is only a three-mile journey and there is a small but excellent hotel close to the jetty to feed and, if necessary, house you should you decide to stay the night.

The culmination of this northern journey should be Inverewe at Poolewe on the Atlantic coast north of Skye. This is one of the most talked-about gardens in Britain, made by the dedicated Osgood Mackenzie. He started with a site so cold and barren that it took him many years to cover it with soil and provide it with a shelter belt of trees.

From then on there was no stopping it for, despite the gales, the climate is mild thanks to the Gulf Stream. This garden is a treasure house for gardeners and they can come away with seeds and plants of some of the lovely things that grow there. It is open every day of the year from 9.30am until sunset.

"The Miles Better campaign has helped to persuade the Government to let the City of Glasgow stage the National Garden Festival in 1988"



WHO WROTE THE SLOGAN?

Who wrote the script that sold the idea to Glasgow? Who wrote the campaign strategy? Who wrote the international award winning videos? Who wrote the book that became Scotland's number one best seller and contributed £50,000 to Band Aid? Who financed the Glasgow's Miles Better campaign in its initial stages?

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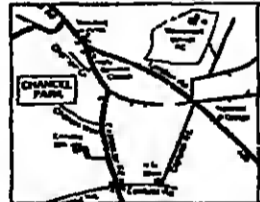
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Buying in Scotland: John Brennan looks at what's available, the demand, and what you could pay



Part of the Glenmoriston estate, just 27 miles from Inverness, which is expected to fetch at least £3m

Lured by the sporting life

"IT'S NOT called shooting deer, it's stalking. You're not supposed to be able to walk out the door and bang away."

Bob Crozier, of Strutt & Parker's Edinburgh office, dismisses laughingly one naïve solution to the imbalance in the country property market in Scotland. Demand for sporting estates has never been higher, interest in farmland rarely lower. But boosting interest in farms by stocking them with deer, substituting grouse for chickens and dropping a few fat salmon in the pond would not be... well... sporting.

Stalking real Scottish sporting estates has, on the other hand, become a positive passion for a select group of wealthy buyers. After London-like price rises in the value of Highland estates in the past few years, Crozier says: "You would get a perfectly serviceable place, with a good house, for £300,000 to £500,000; but if there was any decent sporting at all, half a million would be the starting point."

The value of a sporting estate depends largely upon its salmon catch, or the size and consistency of its seasonal bag of birds or deer. But the cost-multiple for a stretch of salmon fishing might be anything from £1,000 to £4,000 or more per fish.

Since that price range also would reflect the weight of the fish, the property's accessibility, whether there is any decent house attached to the riverbank,

and a host of other, largely subjective factors, it is unrealistic to look for any general price guide to estates or to try applying any average costs per acre.

That does not deter the estate-hunters. In Crozier's experience, the queue of would-be lairds starts in the City of London. "The money is in London, it always has been, and it comes out of the City one way or the other," he says. It comes directly from UK buyers, either entertaining corporate or even personally to have a base in Scotland for sporting, sentimental or family reasons. Otherwise, "we always have a sprinkling of Scandinavians, Germans, Dutch, and a few Arabs."

Then there are the tartan-clad Americans. According to Crozier, "if there is an estate with a classic name they'll let over privately to see it, but few will be heard of again. Americans with Scottish ancestry like the idea of buying but very seldom do they conclude a deal." In practice, he says, there is a known queue of would-be buyers, and many of the good estates never reach the open market. "Serious buyers have an agent to act for them, to

advise them on what to pay, and to keep an eye out for what becomes available. We are not talking about hundreds of people, but there are enough."

The Glenmoriston Estate is one of these properties that is likely to be sold well before it becomes the subject of popular press coverage. The Grants of Glenmoriston have held the land for centuries. Now, all 9,250 acres are being sold for the first time. It is a private world in itself, complete with two major houses, 13 other houses and cottages, the Glenmoriston Arms Hotel, the Cluanie Inn, holiday chalets, Invermoriston's shop and post office, craft shops, commercial and amenity woodlands and, of course, salmon, grouse, stalking - even a nine-mile stretch of the Loch Ness foreshore.

Glenmoriston is to be sold as a whole or in lots, and Strutt & Parker (031-226 2500) expects to see bids around £3m for the complete and (unusually, given the amount of commercial property involved) mainly vacant possession estate. Leisure companies are likely to be vying with individual buyers given the commer-

cial potential of Glenmoriston. It is just 27 miles from Inverness airport and the hotels, shops and chalet businesses benefit from being on the main Highland tourist routes, the A82 and the A87 "road to the Isles."

Move down the property scale, however, and individual buyers in Scotland find a residential version of economies of scale. Knight Frank & Rutley comments on the disparity in prices of homes and smaller country estates in central Scotland in the 1988 edition of *Buying a Country House*, its joint publication with IPC Magazines. According to this: "There is a number of small farmhouses and large baronial mansions, but what in English terms would be an old rectory or a good-sized farmhouse is in short supply. The equivalent is the manse or the factor's house, but they command a premium; they sometimes cost as much as a castle. Castles, by contrast, seem remarkably good value."

KF&R's research department highlights the extent to which country property buyers have been drawn to Scotland by the cost comparisons showing a few hundred acres of heather and a castle priced at the same level as a central London flat. The agents report "a doubling in country house prices generally in the south-west, the Borders and the central belt of Scotland" in the past year alone. The days of the bargain estates clearly are numbered.

Have home, will travel

ASKED HOW he could sell homes priced from £100,000 to £250,000 in a region of Scotland with an unemployment rate of more than one in five, the Scottish divisional chief of a national housebuilder explained succinctly that he did not sell to people without jobs.

Alan Downie, managing director of Cala Homes in Scotland, has an equally confident view of the middle to upper price-range property, at least in the central housing belt between Edinburgh and Glasgow. Cala homes average £70,000 to £80,000, from single-bedroom flats in Paisley at £29,500 to five-bedroom detached homes in Edinburgh's Midmar Drive for £245,000, as well as executive properties in the expanding commuter belt.

"People here are increasingly willing to travel," he says. "Two years ago, when we were building four and five-bedroom homes in North Berwick selling

at about £100,000, there was some doubt about whether people would be willing to travel the 30 miles or so into Edinburgh." That is accepted now although, as Downie says, Scottish commuters draw the line at homes "on the wrong side of 45 minutes' travelling time."

Scottish buyers also are changing their attitudes to home styles, as Downie explains. "Over the past five years, the English influence has been evident in greater emphasis on the 'herbicide appeal' of homes. There are more brick facings and more of a cottage look."

Managing director Steve Rosler has even reintroduced the clay chimney pot. And he adds: "Our new house styles also incorporate much higher pitch roofs. From a pitch of about 25 degrees the new roof styles are about 40 degrees, giving a much higher, steeper looking roof and a traditional appearance."

Much more for the money

IF YOUR IDEA of Scottish property is not limited to good-value castles and sporting estates with room to park the helicopter, you will be pleased to know that home-buyers in Scotland can expect 25.7 per cent more bricks and mortar for their money than the national average, and roughly twice the property they would be able to afford in Greater London.

The Halifax Building Society's house price survey for the first quarter of 1988 shows that the average buyer in Scotland paid £26,488 for his home against a UK average for all properties of £51,924. This differential is increasing, with property price inflation in Scotland running at under 10 per cent against an annual rate of 18.3 per cent for Britain as a whole.

Scottish regions all rank among the lowest-priced areas

of the UK although Lothian - with Edinburgh's semi-detached homes averaging £43,900 a time - does hold 59th place in the society's 65 core brick facings league tables. Strathclyde ranks as the next most expensive area and as the 34th most expensive in Britain, with average home prices marginally more expensive than those of north Yorkshire.

The Borders are 37th in the price league, or just a mile cheaper than the average for the West Midlands. Tayside property prices make it the 99th most expensive part of the UK in which to live. Central is 41st, Fife 42nd, Grampian 44th, the Highlands 52nd and Dumfries and Galloway trails in at 57th, with its average only a little higher than that in south Humberdale.

Tenants save by buying

PUBLIC SECTOR housing still accounts for 49 per cent of Scotland's 1.9m homes, nearly twice the national average of local authority tenancies. However, the proportion of public sector housing has been falling steadily since the legislation enabling tenants to buy at a discount came into operation in October 1986.

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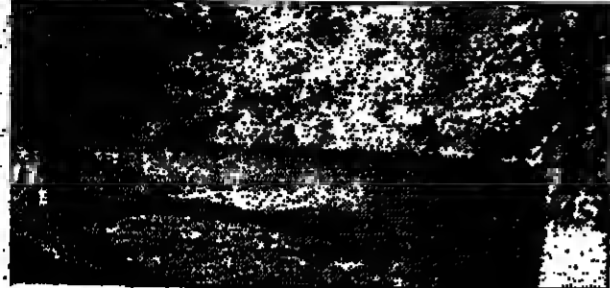
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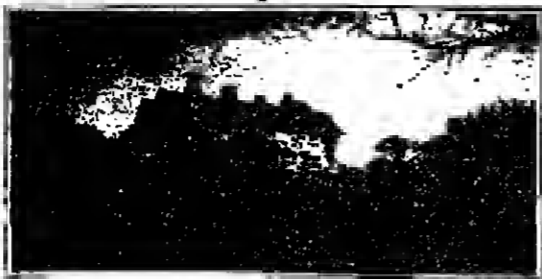
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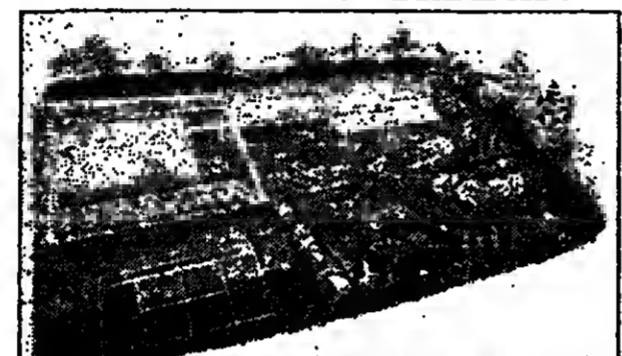
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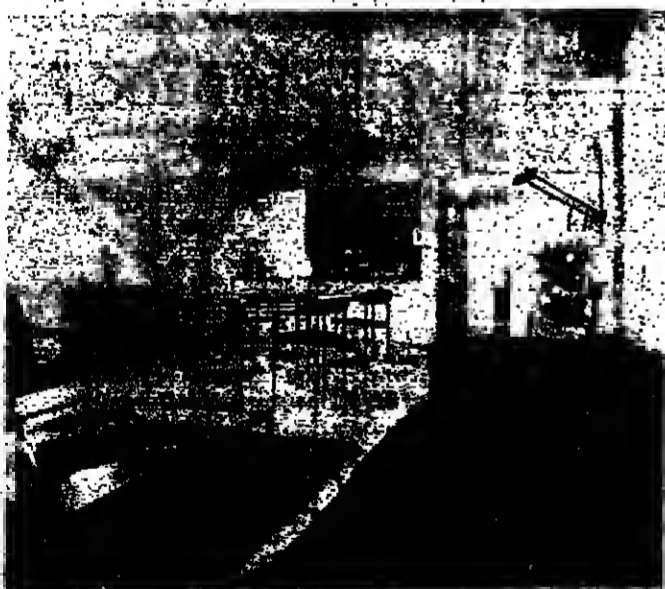
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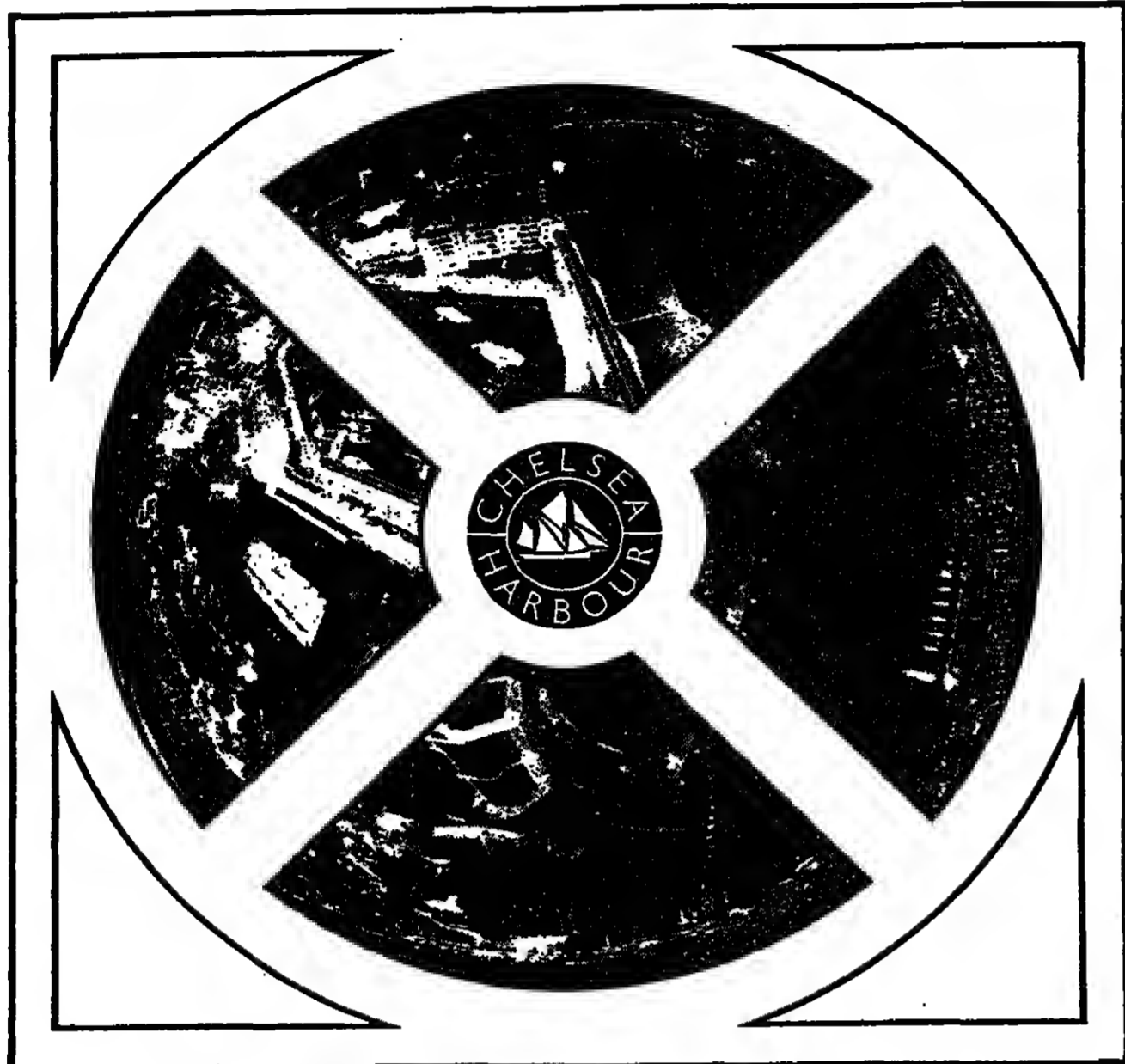
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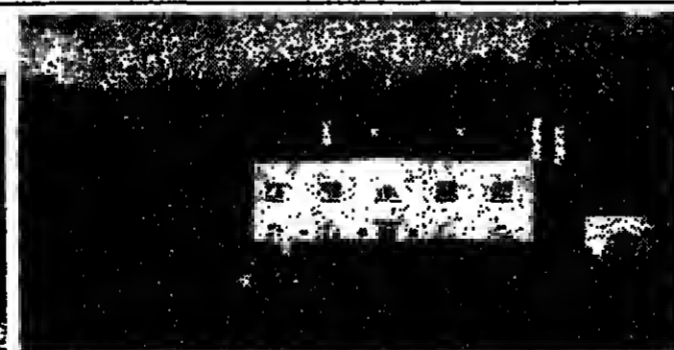
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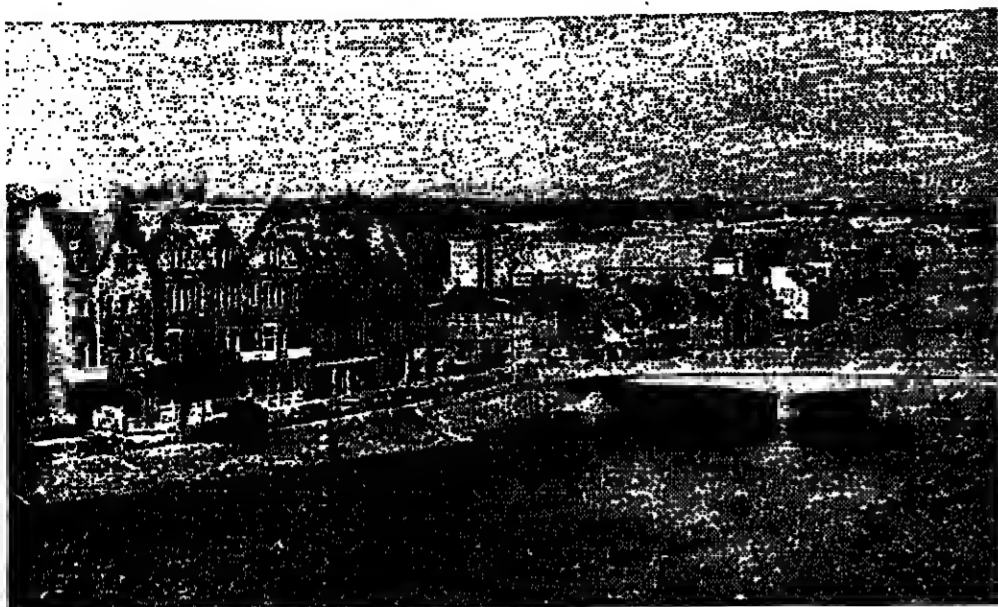
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PROPERTY

Ken MacTaggart hunts for an Inverness des. res.



Inverness: a laid-back approach to home-buying

Sedate sales tactics

I EXPLAINED to the lady at the Solicitors' Property Centre in Inverness that my job was bringing me there from the south of England and that I was looking for a sizeable property. Thus, I wished to consult the centre, which I knew to be the main source in the town for details about what was on offer.

Yes, I emphasised, I was a serious buyer looking urgently for a substantial house, and I understood that although she had none available at the moment, a few were expected shortly. So would she please telephone me as soon as the centre obtained an instruction?

"I'm sorry, sir, we can't offer that service," was the unperturbed reply. "You'll just have to keep calling. Take out a subscription to the Courier."

Property-selling in the north of Scotland clearly has yet to assume the ferocious intensity now evident in the south-east of England. In St Albans, from where I was moving, buyers and sellers are engaged in a desperate struggle to link up with one another.

The process is lubricated by free property valuations, cut-price selling commissions, mortgage assistance and other carrots proffered by the various professions involved. The three or four local papers are crisscrossed with page after page of estate agents' advertisements and homes fre-

quently are under offer within a day.

Not so in Inverness, capital of the Scottish Highlands and not dissimilar in size to St Albans, a Hertfordshire market town which is being transformed rapidly into a commuter satellite of London. The Inverness property scene is distinctly more sedate, and with good reason.

Prices are among the lowest of Scottish urban areas and, according to figures compiled by the Halifax Building Society, they have been fairly static over the past year, which has seen Scottish values as a whole rising by around 5 per cent.

The average price of properties mortgaged by the Halifax in Inverness is just over £30,000. Prime detached or semi-detached traditional houses with around four bedrooms in a good area of the town, such as Crown or Drummond, can be had for about £70,000.

Unlike elsewhere in Scotland, new properties generally are at a premium over older ones because of the limited stock available in Inverness.

"Overall, the market is not as buoyant as the rest of Scotland," admits Ken Bell, property manager with solicitor Munro and Noble. The town, of course, has an isolated geographical position in the north and recession in the oil and related construction industries has taken its toll.

This has affected confidence in

the region as a whole, although Inverness itself remains an important administrative centre with a continuing flow of people moving in and out.

The incomer is, therefore, unlikely to find price a problem when exchanging a home elsewhere in the UK for one in Inverness. Rather, non-availability of a choice one could well be a stumbling block. He could face a lengthy wait, particularly if his taste is for the older, stone-built type of property - these are often sold privately without recourse to the open market.

Those looking for a starter home are better off and the town has a constantly active market with a steady turnover, according to Margaret Sutherland, house sales manager of estate agent Stuart Wyse Ogilvie. Prices are around £21,000.

She also reports considerable demand over Easter for guest houses and hotels throughout the Highland region covered by the firm's Inverness office.

Estate agents are a fairly new phenomenon in Scotland and Stuart Wyse Ogilvie is the only one in Inverness. Prospective buyers ought also to visit the Solicitors' Property Centre, the marketing outlet for the town's 16 legal firms which traditionally handle property sales in Scotland. And they should consult the local newspapers, which carry advertisements for properties being sold privately.

Gerald Cadogan on how Scottish archaeologists make the most of slim resources
Auld country past on an heroic scale

SCOTLAND'S past has an heroic scale unknown south of the border. It is a vast country, and rich in ancient monuments which stand above the heather or lurk beneath the peat. Yet, years of lack of people and money have meant that, archaeologically, it has hardly been explored while the threats to the Scottish heritage from farming, forestry and coastal erosion are universal.

The budget for rescue work in 1988 is still shamefully small and the 12 regions have six regional archaeologists between them. In Highland, there is one man for an area almost as big as Wales. How can they cope?

It is a battle which the English, with staff everywhere, do not know how lucky they are to miss. Yet I sensed an intellectual excitement in the work that transcends the horrendous difficulties. Making the most of what few resources there are concentrates the mind.

Scottish archaeologists are practising the newest techniques fearlessly and cautiously, especially in understanding their ancient landscapes by surveys and test digs so that sensible decisions may be made about where to allow what.

The old approach of tackling all of one area, and then another and so on, takes too long. Instead, they are using predictive methods to determine where sites are likely to be (so avoiding wasting time on where they are not).

That means scrutinising air and satellite views (including infrared maps of the vegetation and the geology), and looking at chemical evidence for human disturbance. These variables plus water, farmland, height and distance from other sites are loaded into a computer. The machine will suggest where sites may be lurking.

Then, it is a matter of going



out to test the method by walking intensively over random 100-metre squares. Do the sites match expectations? Where are their edges, which will show their size and, thus, their relative importance?

The Central Excavation Unit (CEU) is making such a test this year at Kildonan, in Sutherland, before forestry begins. If it works, there will be an immense saving in time on the really large regional surveys Scotland still needs.

In the Bowmont Valley of the Borders, Edinburgh University has the variant approach of testing how much has been lost, and is still disappearing, through erosion and new uses of the country. And in Dumfries and Galloway, a CEU survey is checking the crannogs (iron Age lake dwellings) to see how well they are surviving.

Lakes there last were drained in the 18th century and earlier and the crannogs, although still in use, are drying out. They are a fascinating piece of early Scotland (if they seem at first more suited to Switzerland) and must be saved.

These surveys on the edge of civilisation will give new views of how the Scottish economy rises and falls. Each new expan-

sion into the uplands, whether forestry today or at the end of the Bronze Age, can be documented. They will also add to the miserable total of fewer than 5,000 scheduled monuments, with only about 200 a year being added.

If the Scottish Office gave money for a monuments rescue programme, like that at English Heritage, these figures would begin to reach the totals they deserve and inspectors of ancient monuments would not have to travel 9,000 miles a year, as one did last year, because they do not have enough colleagues. (In England, there are about 13,000 monuments and the total staff will rise to 60,000.)

The Scottish Office could also collaborate more with the local authorities for rescue digging. Unlike England, where English Heritage often helps with computer or staff costs, there has been only one such partnership in Scotland and that was at Aberdeen in 1976-78.

A typical rescue dig by the CEU last year looked at two Roman temporary camps a mile apart at Marcus and Finavon, in Angus, which were being cut by the widening of the A94 road. Eight trenches through the defences and a study of the

ground showed these camps were each of 63 acres, lying a day's march away from two other camps of 63 acres. All of them belong to the campaigns of the emperor Septimius Severus in 208-11.

One CEU dig this year will be at Tuquoy on Westray, Orkney, where coastal erosion is eating up a 12th century Norse hall and its settlement. The buildings are preserved in the cliff and the first job will be to clean the section along 120 metres. Then, the diggers can go in from the side, with a far better idea than if starting at the top.

Peat cutting is another threat to the evidence, especially as peat preserves organic remains, whether wooden houses or even human bodies like Lindou Man. At Loch Parton on North Uist in the Western Isles, all the tests will be needed for one of Scotland's first farms, a Neolithic field system now in bit of peat.

Edinburgh University aims to understand better the standing stones at Callanish on Lewis, also in the Western Isles, and how they were used, by putting them in their ancient context. This includes reconstructing a prehistoric farm using early types of plants and tools - an idea tried with

success in different conditions at Buxton in Sussex.

This project is part of an exhibition (until July) in Edinburgh University Library which covers the work of the department of archaeology, now celebrating 60 years under only three professors. The first was the great Gordon Childe.

Edinburgh Castle has a dig to visit. Behind an artillery wall of 16th century masonry is appearing, and middens rich in rubbish dating back to around 1200. Several digs are planned, and there is a good chance of rewriting the early history of the place.

A text records feasting at Dunedin (Edinburgh's old name) for those who went to fight in the Battle of Catterick about 580 AD, until recently, nothing has been found at the castle from before the 12th century. New finds may point to a different story.

A few records featuring at Dunedin (Edinburgh's old name) for those who went to fight in the Battle of Catterick about 580 AD, until recently, nothing has been found at the castle from before the 12th century. New finds may point to a different story.

The work at the castle will enrich it and reveal more of its history. Scott, the tower of King David II beneath the Half Moon Battery, where the diggers have just finished, will be opened to show the medieval castle.

Tourism eases financial worries for this project. But it still leaves the need for money to discover what happened in Caithness and Sutherland and the rest of the kingdom and bring Scottish funding up to English standards.

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CHESS

DIVERSIONS

Antony Thorncroft on the Scottish saleroom scene

Lots to be proud of



This 'Fauvist' work of peonies and fruit by Samuel Peploe sold recently for £127,000 (estimate £40,000), a record for a modern Scottish artist

Marion King and Elizabeth Mary Watts, active in Edwardian times, and now avidly collected by local Glaswegians.

There are other specialist markets in which Christie's believes it is shrewd to have an auction house on the spot. There is a local interest in birds and broadsword (which are becoming very rare) and recently Paisley shawls have become popular. Those produced between 1820 and 1880 are commanding prices up to £400, with particular interest in the big plaids of the later period.

Wemyss pottery also has a strong Scottish collecting tradition, perhaps inspired by loyalty to the Queen Mother, the most noted connoisseur of this basic style of late 19th century ceramics. One keen new collector is 'Tiny' Rowland of Lomrion, who paid £7,000 for a Wemyss pig as a birthday present for his wife.

Sotheby's is not perturbed by the Christie's activity. Its picture auction at Glenageary last summer totalled almost £1m. If the goods on offer are desirable, then dealers and collectors will take the High Road. Besides, the reputation of Sotheby's ensures that it is asked to handle many of the really major works originating from Scotland, which have an international appeal.

Not holding regular sales has not prevented its agents in Edinburgh and Glasgow from sending to London in recent years such masterpieces as a Guido Reni head of Goliath, which sold for over £2m, a Benjamin West, which made £1.5m, and, last month, a John Macra scene of the burning of the Flood, which sold for £250,000. Its offices feed the Sotheby's auction rooms in London and Chester, as well as

organising the three Scottish auctions which in the last year produced total sales of over £2.5m. And there are none of the costly overheads that accrue from running an auction room.

Sotheby's, of course, has tried to get away from handling lots which sell for less than £500. No such inhibition affects Phillips, which has salerooms in both Edinburgh and Glasgow. Phillips, the smallest of the big three auction houses, has built up a network of almost 20 salerooms throughout the country and the turnover of its Edinburgh operation is second only to London, even though the average lot value is only about £50. Every week in both Edinburgh and Glasgow there will be an auction of Victoriana, along with one or two specialist sales. Phillips has its share of major items: on May 26 it is offering a garden gate designed by Mackintosh which should make £5,000.

Not all the items sold originate in Scotland. Phillips sends up from the south many antiques of Scottish interest, in particular Scottish silver, which sells much better close to its point of manufacture. Golf clubs and balls also find a ready market in the home of the sport, and last year Christie's disposed of nine woods of around 1830 by John Jackson, two irons, and four feather balls for £25,000; they had been found in the attic of Blair Castle, home of the Duke of Atholl.

In Edinburgh, in particular, there is a strong surviving band of the professional middle class who regularly pop into the saleroom to furnish their homes or to buy presents. More than in London, or the English provinces, the private buyer still reigns supreme in Scotland. Phillips reckons that at its last good picture sale half the lots went to private buyers.

There are also a few local home grown auctioneers, such as Lyon & Turnbull in Edinburgh and Milnes in Aberdeen, but in the main Scotland has fallen beneath the heel of the international auction houses. The results of the last few days suggest that this has been good for the auction houses, good for Scottish art, and good for the Scottish collector.



The Gallery looking from Room 20 through to Room 22

Designer look revived

"LOOKS LIKE a Victorian photograph, doesn't it?" Without pausing to allow me time to disagree (which I did not) Timothy Clifford continued his monologue, handing me a recent print of the magnificent, sculpture-strewn entrance hall at Manchester City Art Gallery which he had restored as director.

His six years at Manchester saw the early 19th century gallery returned to its former richness today, four years into his term as director of the National Galleries of Scotland, a whirlwind programme of appeals, acquisitions and refurbishment is in progress. After restoring one Greek Revival building - Manchester was Sir Charles Barry's only exercise in the style - Clifford is now halfway through turning the clock back on another, W. H. Playfair's austere Athenian National Gallery in Edinburgh. It is a propitious moment to consider how the new work compares with the previous decorative scheme.

When Playfair designed the building in 1850 it was to house the galleries of both the national collection and the Royal Scottish Academy. His scheme comprised two parallel enfilades of five octagonal galleries, top-lit and linked by round-headed arches - a formula derived from Boydell's Shakespeare Gallery (later the British Institution) designed by George Dance, and his pupil Sir John Soane's Dulwich Picture Gallery, the first public art gallery in the country. After the RSA moved out in 1906-10 the galleries were linked, and more galleries carved out to supply a north and south upper floor. In 1936-37 Playfair's arches were replaced by an unconvincing series of paired Composite columns.

Various stained and slurry-coloured textiles remain on the walls of the east galleries. A sequence of what the director describes as "pigs-trough" light fittings hang from the ceiling, and upstairs in the north gallery the grim colour scheme continues in the upholstery and the pig's bristle carpet squares. Playfair's arches, and his far from drab colour scheme, have been reconstituted to stunning effect in the identical west galleries. The walls are hung with a resonant claret-coloured felt. New glass has been fitted, with filters, in the lanterns, the coves painted cream, and the cornice and skirting grained to resemble oak. The cornice itself contains a discreet but flexible German lighting system. The parquet

floor is to be covered by a dull leaf-green carpet. The greatest visual shock comes from the colour chosen for the sculpture pedestals - a deep, clashing scarlet.

A Victorian display case illustrated in an 1870 view of the gallery is the model for eight copies which will be placed in the middle of the galleries and filled with medals. But here the historicism stops and Clifford takes over. The picture hanging "on the line" instituted in the '30s, and still present in the east galleries, is being replaced by a tiered system, allowing some two-thirds more paintings to go on display. Probably quite wisely, the hang will not emulate the "Romantic" hang of the 1890s with canvases crowding the walls from floor to ceiling, but there is also no historical evidence for the suites of

an oval staircase vestibule painted to resemble ashlar that acts as a sort of clear the palette after the heavy reds. It features 26 of the 170 plaster casts of antique busts that belonged to the sculptor Carlo Alberici and were acquired by the museum in 1839, but long held in storage. Grouped in tiers on socles copied from Cockerell's Bank of England, they make a stylish, effective display. What an improvement on the previous arrangement of teak door flanked by red cylinders.

Pale bordered carpet, woven to a 19th century design, continues throughout the completed south galleries. Each gallery, partitions removed, shares the same blue-washed skirting and cream dado, but the colour of the plain silks above the chair rail is taken from an individual painting. We are greeted by the deep rose of an 18th century French boudoir (complemented by Jacob chairs), progress to Russian furniture and brilliant blue (taken from a dress in an Andrew Geddes portrait), and to Beidermeier and malachite green (from a newly acquired conversation piece by Baerentzen). The late 19th century gallery (French provincial furniture) takes its cue from Sargent's lovely Lady Agnew, the Impressionist's look to the files in Degas's portrait of Diego Martelli for their eau-de-nil.

For a director so vista and colour conscious, the present decoration of the upper south galleries is somewhat mystifying. Standing with one's back to Lady Agnew, say, and looking through the galleries, one's eye is stunned by the Russian-doll succession of vivid colour. The modern spruce floors were carpeted because their lightness immediately drew the eye; but there is little chance of homing in on any paintings while their backgrounds are jewel-like blues or greens.

Timothy Clifford must be commended for wanting to make his pictures "dance and sing." To give them the same sort of environments for which they were painted, sculpture and furniture has been bought, or their acquisition organised through sponsorship. Contemplating these upper galleries from the supreme comfort of a "repro" Victorian banquet, it seemed to me that the "rooms" - unquestionably great improvements - could never seem domestic, or of the period of their works of art. They possess, perhaps inevitably, too much of the "decorator" look of the 1960s.

Susan Moore on ambitious restoration work at Edinburgh's National Gallery

seat furniture and grand console tables that are being bought to line the gallery walls.

The central octagon cum side-chapel presently housing the Hugo van der Goot Trinity Altarpiece - on loan from HM the Queen, will disgorge its treasure to take Poussin's seven Sacraments, on loan from the Duke of Sutherland, one for each wall. As the canvases have been darkened but cannot be cleaned because their pigment has sunk into the ground, they will be hung against an even darker silk and lit by spotlights. Decorative features from the various canvases will provide the decoration of the room - festoons of dry bay leaves and fabric swags, marble floor and chandelier. The scheme is eccentric at best, but surely more a faddish decorator's gimmick. Poussin, even Playfair, would be astonished.

The director's (long-term) scheme for the second internal octagonal room is more happily inspired. He intends to reconstruct a Wunderkammer or cabinet of curiosities such as 17th century collectors would have amassed. The idea is to cram it with stuffed alligators, nautilus shells, narwhal tusks and the like, of Durer's natural history studies, and the gallery's exquisite small "cabinets" pictures by Brill and Elsheimer.

On the upper floors the decoration is pure Clifford. Most successful is the transitional space,

Treasures rediscovered

"AND NOBODY knew they were there" is the only possible comment on the pieces of ancient Cyprus art that have been languishing unnoticed in Scotland, but which are now gathered for an exhibition in the Royal Museum of Scotland in Chambers Street, Edinburgh.

Aphrodite's Island, until September 4, has some fine works that came to the last century, they display the artistic history of early Cyprus through the eyes and purses of those Scots who bought with women in the days before archaeology became an organised scientific discipline. What they obtained is a small revelation.

It was the foreign consuls in Cyprus who garnered the goods, mostly before 1878 when the British took over running the island (though it remained part of the Ottoman empire until annexed in 1914). One of them was Sir Robert Hamilton Lang, a son of the famous who went to Beirut as a 30-year-old to work in a British merchant company.

He learnt Arabic quickly and must have been successful because he was sent to Cyprus five years later to open an agency there; he also became British vice-consul. He started to buy antiquities and even organised a digging team, undeterred by the lack of permits to do that or to take objects abroad. Lang left many of his pieces to the Glasgow Art Gallery; the best is a model of a high, barrel-backed chair, complete with wicker-work or leather binding. Its liveliness and care in detail transport you back to around 800 BC.

The other consuls did the same as Lang, combing the island and competing with each other. They got so much that, as Lang wrote, "our houses became like warehouses."

Yet the divide between archaeology for knowledge and archaeology for profit was not so sharp as now. Lang had a solid faith in prosperity, happiness and learn-

ing, preferably under the beneficent sceptre of the queen of England, and considered a bilingual inscription his best find. He was a lucky man to realise such a dream, even if not at the level of the Rosetta Stone.

The chief of the consular antiquaries was General Luigi Palma di Cesapola, originally from Turin. He fought in the American Civil War and went to Cyprus in 1865 as US consul (which he combined with being Russian consul). His zeal for digging and the enormity

Gerald Cadogan reports on an outstanding exhibition of unnoticed Cypriot artefacts

of his appetite were embarrassing. In Larnaca, he "explored" more than 3,000 tombs, and at Paphos over 10,000. What an indictment.

What could he do with his collections? Some were sold in small lots. Most went for \$60,000 to the Metropolitan Museum in New York, where he became the first director. Many are still there, but there is a choice group in the Ringling Museum (of the circus family) in Sarasota, Florida. The show in Edinburgh has two vases he gave to a visiting Scottish friend in 1888.

Official digging in Cyprus began with the British administration, first under Max Ohnefalsch-Richter and then in 1882 under G. G. Hahn following a proposal from a certain Lieutenant Ritchie, director of the Cyprus Survey, that London's South Kensington Museum (now the V & A) should be enriched. Edinburgh and Dublin also received finds. In 1953, however, the foreign residents started to leave, and again this was banned in 1957, and has been since. The ban helped the new Cyprus Exploration Fund to get under way, so did the fact that Cyprus was the only place where some classical

archaeology was directly under British control.

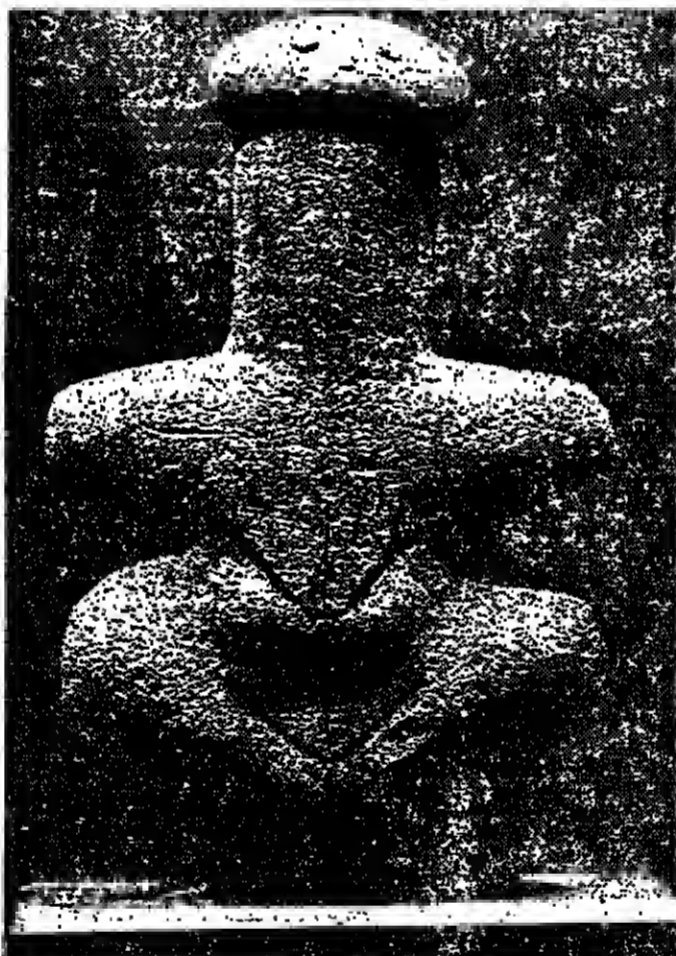
However, the digs in Cyprus of the 1880s and 1890s were hardly better than before, and sites were left riddled with pits. A British Museum team in 1937 was responsible for some of them. Only in the 1920s did the Swedes introduce a proper way of working, with the aim of sorting out the early history of the island. One aim was to date and understand the mass of objects that had reached museums in Europe and America in the late-19th century free-for-all.

Aphrodite's Island reveals the good eye of Lang and his colleagues, while giving a lively history of Cyprus from earliest human times (7th millennium BC) until today. It is not too large and it is satisfying for novices and experts alike. It also has some stunning photographs, drawings by Tessa Handerson, and modern textiles and vases. The vases have the same quirky humour, and relief animals and birds, as in the early Bronze Age, and the textiles remind us that ancient cloth does not survive in the earth, although we can have an inkling of it from the patterns on pots.

Finds from recent Scottish expeditions to Paphos are the counterpoint to digging 100 years ago. I was thrilled to see a very rare blue glass pendant of a nude fertility goddess, found by a St Andrews/Liverpool team in the 1950s. The type probably represents the Near Eastern goddess Astarte.

It is easy, also, to see other idols, miniature and large, as precursors of Aphrodite, who was the goddess of Cyprus and Paphos. An Edinburgh team found the best of these a few years ago. It is more the case with an imposing mien and clearly female.

The soil of Cyprus continues to produce. Last year, the same Edinburgh group came upon a bowl set in a hollow in the



A limestone figure, probably a goddess, about 3,500 BC, known to its discoverers as the Lemba Lady

ground. It is a model of a shrine, with a central hearth and a platform, the sort of architecture the team is exploring full size. Packed in the bowl were a couch shell and figurines, broken or defaced as if to set them apart. One is a woman giving birth.

Scotland still produces surprises from the old days in Cyprus. The earliest piece in Aphrodite's Island is a Neolithic stone bowl obtained by a district commissioner around the turn of

the century. It had held visiting cards and nobody knew what it was until 1976 when an expert spotted it. Now it is a museum piece in Aberdeen.

A Mischievous Pastime, by Elizabeth Corning (28.80) is the catalogue of the exhibition and has an account of 19th century digging in Cyprus, on which I have drawn. How much the protagonists heeded the story of Lord Elgin and Byron's Sassenach invective, I do not know.

Burrell's tribute to taste

"RAREER GIFTS than Gold" presents a fascinating Scottish postscript to the Royal Academy's magnificent Age of Chivalry exhibition, its range at once broader but more restricted in date. A sumptuous medieval treasury of sculpture, ivories, textiles, stained glass, coins and metalwork made in 14th century Europe (not Plantagenet England) has been gathered from Scottish collections for display at the Burrell Collection in Glasgow (until June 26).

It is less a survey of medieval Scottish art (so little survived Calvinist iconoclasm) than a tribute to the taste and acquisitiveness of the country's late 19th century collectors. Star turn among the exhibits is the lavish Murthly House, acquired last year by the National Library from the descendants of the Catholic 3rd Marquess of Bute, and returned only recently from conservation. Its importance to Scotland is that it is the richest manuscript known to have been in the country by the 15th century; moreover, it is bound with

14th century prayers, the earliest example of written Scottish Gaelic.

While the majority of the exhibits are works of art represented equally well in English collections, the tapestries (William Burrell's greatest passion) and stained glass are spectacular. Burrell acquired two, albeit restored, fragments of the famous Apocalypse Cycle commissioned by the Duke of Anjou, the largest surviving medieval tapestry.

He also claimed the only extant pieces of late-14th century heraldic tapestry. Their engaging, striking, perspectival design of heraldic beasts - lions, elephants, stags and unicorns - set in crinkled canopies is symptomatic of the development of pictorial space art of the period. The prized Opus Anglicanum embroidery on show, inserted into a later dalmatic, once again holds up a mirror of the medieval world. Its panels describe the early life of the Virgin, including a vignette of the future mother of Christ learning to walk on a 14th century wheeled baby-walker!

That century's cult of the Virgin also is evident in the exhibition's exquisite boxwood, ivory and alabaster figurines (alabaster began to be carved only in the 1320s). The growing belief in the value of private devotion is witnessed by the large numbers of these small devotional objects. One deeply-carved French or Flemish diptych apparently was found in a hog's trough in Mansfield, Nottinghamshire, in the 18th century; the right half is in the British Museum.

Not all the exhibits are grand, and for this reason their survival is perhaps all the more remarkable. The picture shows a workaday laver with beasts' head spouts, and modest Siamese base metal chalices silvered or gilded with copper and enamelled. Richard de Bury's mammoth chest, decorated with brightly coloured heraldic shields, is but one of a number of precious items returned to Scotland from Burlington House in London.

Susan Moore

Auction Leu 45

26 May 1988, Hotel Savoy, Zurich, Switzerland



Important ancient Greek and Roman coins of the highest quality, including numerous major rarities. Many coins have impressive pedigrees going back to the famous Pozzi, Jameson and "Kunstfreund" collections. The fully illustrated catalogue will be available in April and costs \$15, refundable with any successful bid and including airmail postage and the prices realized.

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A workaday laver with beasts' head spouts and modest Siamese base metal chalices

DIVERSIONS

A tale of two cities: Lucia van der Post discovers the elegance of Edinburgh and the go-ahead sparkle of Tips for the consumer clan

THE LOVELY thing about Edinburgh is that not only is it quite extraordinarily beautiful but for the would-be explorer it is clearly laid out, and being relatively compact you can easily tackle it on foot. There is also the pleasing contrast of the old city, of the almost medieval nooks and crannies off the Royal Mile and the serene splendour of the New Town with its fine squares and crescents. For those of you who don't know the city perhaps these suggestions will give you somewhere to start.

Words of warning

Princes Street, which I had remembered as one of the grandest, most imposing, most traditional of streets, is now, for me at least, an entirely miserable feast. Only Jenners has retained any of the old atmosphere. And even Jenners (ah, dear me) isn't what it was. However, if you're looking for some authentically Scottish presents it is worth a visit. There are splendidly mislaid wooden butter pats and breadboards with the carved thistle pattern and the Scottish foods - Jenners own-label butter lemon cheese, raspberry preserves, whole strawberry preserve, mint bunnings and pure butter shortbread all seemed like good buys.

Art

Edinburgh struck me as a very good place for the would-be collector to start collecting. Tucked away in what seemed unlikely places are the sort of galleries that are a pleasure to browse in. The Open Eye Gallery, 75/79 Cumberland Street, Edinburgh EH 6 RD. An exhibition of the recent works of Donald Manson was just about to open (it's on until May 12) and though I wasn't tempted to buy, many people would love his rather gentle still lifes. Certainly, another visitor going round the gallery with me couldn't stop exclaiming over the prices (quite large canvases at about £800, smaller ones from £180). Also some very fine ceramics by Andrew Broughton-Tompkins which I did rather covet and which again seemed way below the going London prices.

Hanover Fine Arts, 104-106 Hanover Street. This gallery was full of exceedingly accessible works, all by Scottish artists, at exceedingly accessible prices. The one picture I truly coveted had already gone and at £120 could, I'm told, have been sold many times over, but there was lots of choice from £30 upwards. Coleridge, George Street. Most famous for its modern glass - go either for some eminently desirable and usable goblets by Lindean Mill, some delightful vases and bowls in the Memphis style or for some of the more exclusive special pieces by Peter Layton whose exhibition has just opened.

Scottish crafts

No visitor to the city could miss the many touristy shops selling the kind of tartan-clad tat that they seem to think tourists want. If you're looking for something with a Scottish flavour but



Pine & Old Lace, in Edinburgh's Victoria Street, just one of the many shops packed to the brim with old treasures



David Ingram, of Dunedin Antiques in North West Circus Place, with an 1820 paper scroll tea caddy

a bit of style give them a miss and head for these two shops instead.

The Glassmarket, 25 Jeffrey Street. A fine shop specialising in high-class Scottish wares, clean, classy and refreshingly free from tawdry trinkets. Beautiful glass by Lindean Mill, fine ceramics, marvellous wooden engines made from spare bobbins left over from the abandoned mills, and a fine selection of postcards.

Macdonald Nelson Trading Company, 34 Victoria Street. If you MUST buy something with some tartan on it, you should take a look at Macdonald Nelson. Handpainted wooden buttons, all embellished with some form of tartan, as well as hand-painted (tartan, of course) tea sets. Lots of woollens, soaps, toys, prints as

well - all "Made in Scotland." **Antiques** Edinburgh is the bargain hunter's dream city. There are lots of really small scruffy shops which keep you endlessly on the alert for bargains or pieces that may give endless pleasure. If you have limited time I would suggest three areas for the antique lover to home in on - the old area round Victoria Street, Grassmarket, Jeffrey Street and Candlemaker's Row, or Thistle Street and Dundas Street or St. Stephen Street, leading into North West Circus Place.

Starting with Grassmarket at No. 4 there is Eric Davidson, who has the kind of antiques that you would need if you have just exchanged your small London pad for a castle retreat in Perthshire. Several floors of quite heavy furniture but in between look out for pictures, candleholders, china and the like.

At 54 Candlemaker Row Ewan Lawson has an eclectic mix of bric-a-brac, paintings, books, pottery, as well as a few museum-quality pieces tucked away in display cabinets. I came away with some rather wild cupid brass candlesticks that I certainly couldn't have found at the price in London.

The Little Red House, 62 Candlemaker Row, sells old textiles and linens - some beautiful antique blouses, Paisley shawls (sometimes), cushions made from torn Paisley shawls and fine old embroidered pillowcases.

Ye Olde Candle Shoppe, Victoria Street. It is, apparently, often closed, and indeed was so on the day of my visit but my Edinburgh spy tells me that she regularly checks it out for its Wemyss Ware and Clarice Cliff.

Tessa Bennett Antiques, 18 Victoria Street. The antique shop I most enjoyed browsing around. Not large but Tessa Bennett has a good eye for decorative pieces. There is usually a selection of antique Paisley shawls (I much coveted one but balked at the £270 price tag only to discover later that for a shawl in perfect condition that is almost in the bargain class), samplers, linen, china, silver and some Scottish pottery and glass. Collector of Mauchline ware should head for Tessa Bennett as there is always a good selection in stock.

Paul Counts, corner of Victoria Street and Grassmarket. Classy antiques - the place to go for fine Georgian furniture, mirrors, candlesticks and some pictures.

Aldrie Young, 49 Thistle Street. Rather expensive fine furniture - a 17th century walnut chest on stand at £5,500 was there on the day I looked in as well as ornate gilt mirrors and there is always a selection of Adam mantelpieces.

Kenneth Jackson, 68 Thistle Street, goes in for decorative pieces like French armchairs, tapestry-upholstered furniture, stat-

tion of the going London rate.

Margaret Brown, St. Stephen Street, Stockbridge. This tatty little street, full of builders' debris and rubbish is a must for the ardent shopper. Lots of little antique shops. At Margaret Brown's you'll have to ring the bell and then you can enter and rummage around - there was some truly beautiful blue and white Spode the day I looked in but clearly it's pot luck.

Hand in Hand, 3 North West Circus Place (just around the corner from St. Stephen Street) is one of Edinburgh's most famous shops - full of impeccably laundered old linens and textiles, Paisley shawls, Victorian bedspreads, lace camisoles, antique pillowslips and the rest. I found it charming but very over-priced.

Fashion

Rosie's Hats, 58 Candlemaker Row. A marvellous collection of straw boaters, floppy widebrims and Rosie's own collection of fine silk trousers, dresses and jackets.

Clare Schileka, 46 Candlemaker Row. Colourful, striking, and utterly modern in feel. Clare Schileka has her own inimitable way with wool and once you've seen her style you'll know it anywhere. Long, striking cloaks to wrap you up against the Edinburgh wind, long scarves, big sweaters.

Campas, 42 Grassmarket. This must be where the well-heeled undergraduate buys her clothes - lots of Jean Muir and lots of ballgowns.

Chris Clyne, 66 Dublin Street. One of Scotland's best-known fashion designers - very pretty, wearable clothes but nothing is cheap. Look for elegant daywear and dazzling evening dresses - daywear starts at about £200, ballgowns at £1,000.

Droopy & Browns, 70-72 Frederick Street, is, I imagine, where the undergraduate set buy their ballgowns. Lots of nostalgic, romantic evening wear, full of ribbons and bows.

Number Two, 2 St. Stephen Place. Really beautiful knitwear - I would call it designer knitwear if the term hadn't been so debased. Look out for marvellous cotton rose-strewn jumpers, for Johnsons elegant fine lambswool and a wide host of covetable hand-knitted numbers.

Stewart Christie, 64 Queen Street. Something for the men. Bespoke tailor for made-to-measure Inverness capes - should keep him warm on the moors.

Geoffrey (Tailor) Highland Crafts, 57 High Street, for a huge selection of Highland dress. Kilts made-to-measure and more than 200 kilts in 60 different tartans for hire. Also warning tartan blankets, Aran and Icelandic sweaters.

The Shetland Connection, Lawnmarket has lots of real Shetland knitwear as well as a big selection of children's Fair Isle sweaters and hand-knitted Aran. Edinburgh Woollen Mill, 129 Princes Street. Don't go for style or high fashion but for incredibly well-priced basic knitwear.

Classic

Harpers Country Style, Victoria Street. Redolent of country pursuits - Tattersall check shirts (only £3.95 each), North Sea Stockings warm enough to keep the sharp east winds at bay, decoy ducks, Badnor caps, Harris Tweed hats, shooting sticks, woollen rugs for chilly Highland picnics and a wonderful selection of walking sticks.



Guns to be proud of, from John Dickson, 21 Frederick Street, one of the oldest gunsmiths in Edinburgh

John Dickson, 21 Frederick Street. For the hunting, fishing and shooting set. Look in the ledger and see Queen Victoria's present to her ghillie listed. If the 12th of August is indelibly marked on your calendar and you're missing a gun, this is the place for you. A gun from John Dickson is a finely-honed precision instrument that won't leave you much change from £20,000.



Roxton, 52 George Street. Roxton has the look of a long-established Edinburgh purveyor of wares to the hunting, fishing and shooting set but in fact is less than a year old. However, the air of authenticity is unmistakable - whether it be a tweed suit (will it be with trousers or breeches, sir?) or a Loden cloth coat (a shooting friend tells me they are the best of all for keeping out the damp and the cold) you may be sure it does its job naturally and well. There are navy wellies to go

with navy waxed jackets and there are some marvellous waterproof-backed picnic rugs (£37 each) which every Scottish picnic could do with. A good place too for small Highland presents - some marvellous paper weights, hipflasks and the like.

Presents

The Bay Tree Company, 54 Hanover Street. One of the nicest shops specialising in everything made from paper that I've seen. If it's just a notebook or a pencil that you want it'll be prettier here than anywhere else.

Home

Inhouse, 28 Howe Street. A marvellous shop specialising in fine quality contemporary design of all sorts - locals obviously would stop off there for everything from a Magistretti chair to a Cassina sofa but the passing visitor could glean many a lovely memento. Fine prints, wonderful black rubber tablemats (a good alternative for those who are tired of hunting scenes), lots of classy china, glass, cutlery and the nicest oven gloves I've yet come across. Also very modern super lighting. Well worth a visit.

Inscape, Dublin Street. Wonderful dried flowers - not dusty old bunches of daisies but really interesting and beautiful collections.

Records

The Gramophone Emporium, St. Stephen Street. Said to be Miles Kingdon's favourite shop. Scrummy around for ancient 78s, LPs and lots of rare items.

Food

Valvona and Grolla, 19 Kim Row, Edinburgh people urged me to visit this marvellous Italian provisioner. Mama and Papa Conti give some authentic Italian colour and purvey everything from fresh Parmesan to pasta galore, bitter chocolate to Italian wines.

Kinnell, 88-92 Victoria Street. Hand-made cakes, marvellous preserves, Raspberries in cassis, handmade chocolates, fine teas and coffees and highest catering service. If you're off for a day's outing you could order their take-away lunch boxes, filled with things like smoked salmon and caviar.

Whisky

The Whisky shop, Waverley Market, Princes Street, has the biggest range of whiskies in Edinburgh - about 500 malts and 200-300 blends. Also some mind-boggling souvenirs.

Continued on next page

GREENPEACE



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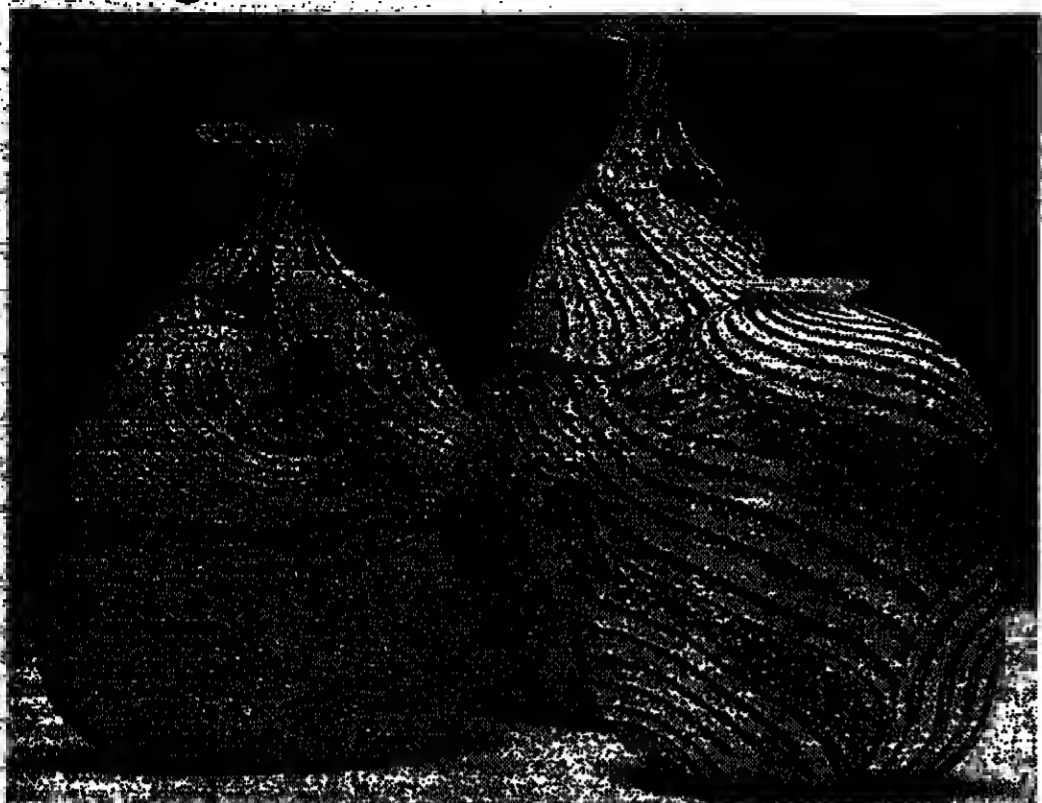
Ruth Hand, owner of Hand in Hand, models some of the clothing available in the shop, which stocks laundered and restored old linen and lace, period nightgowns, silks and satins and old jewellery - though all at a price

Hand in Hand

DIVERSIONS

Glasgow and finds there is more to shopping in Scotland than tinned shortbread and tartan tourist tat

Style struts in Glasgow



Studio glass from Peter Taylor's current exhibition at Coleridge's fine showrooms in Edinburgh's George Street

Continued from Page XX

Free

There's lots to do so buy a good guide. Here is a small sample that I managed to take in.

The Museum of Childhood, The Royal Mile. One of the most delightful museums I know. The day I was there most of the tourists could hardly believe that all this enchantment could be had for free. Full of delicious dolls, old-fashioned toys, as well as some timely reminders of the days when the middle-class mums were mostly 'manned' by children. A small selection of quite charming presents for children - mainly colouring in books and the like - are on sale.

National Gallery, The Mound. Such a pleasure to wander round a gallery and not be pressed by crowds. You won't be able to take it all in at once so, for starters, make for the Scottish artists in the basement and don't miss the Pousins in room 14.

Scottish National Portrait Gallery, Queen's Street. Lots more local colour for the gallery was founded in 1882 to 'illustrate Scottish history by likenesses of the chief actors in it'. All those formidable looking chieftains certainly give one quite a sense of history.

Eating out

If you still think of Scottish food as stodge and starch, you're in for a happy surprise. No doubt largely due to its student population and the attraction of the Edinburgh Festival there is now a vast choice of attractive places to eat, from the grand and luxurious to the casual and the downright scruffy. Here are a few suggestions.

Go armed with Conrad Wilson's Where to Eat Well in Scotland (published by Gemini Books, £2.95).

Le Chambertin, George Hotel, George Street. If you want conventional posh French food (and why not?) in elegant surroundings this is where you go.

Tianella, Easter Road. Brilliant Italian domestic cooking, lots of interesting pastas and very inventive recipes.

The Vintners Room, 67 Giles Street. For ye ancient atmosphere - seventeenth century



Covetable goblets and tumbler hand-made by Lindean Mill in Galashiels, stocked by Coleridge and The Grassmarket

at least 225 a head but there is an excellent two-course lunch for around £7 a head.

The Howtown, 27a Stafford Street, tel. 031-225-6291.

Nowhere is the visitor more grateful for the lingering influence of the Aunt Allie than when it comes to food. If you have yet to discover the glories of Scottish cooking now is your chance. The Howtown serves it at its best. Try the Scottish menu for £20 and you will not be disappointed - parcel of haggis served with a creamy leek sauce, cullen skink, collops in the pan and cream of Rob Roy.

Le Chambertin, George Hotel, George Street. If you want conventional posh French food (and why not?) in elegant surroundings this is where you go.

Tianella, Easter Road. Brilliant Italian domestic cooking, lots of interesting pastas and very inventive recipes.

The Vintners Room, 67 Giles Street. For ye ancient atmosphere - seventeenth century

plasterwork and antique decor, all in the Malt Whisky Vaults in the heart of old Leith. Excellent, moderately priced food.

Handseal's, 22 Stafford Street. Beautifully restored Georgian town house turned into a very popular restaurant. Fine Scottish produce with a touch of nouvelle cuisine.

Where to stay

The Calceolus, Princes Street. Tel. 031-225-2432. Large, grand and with impeccable service but not for those who are looking for countryhouse charm.

The George, George Street. Tel. 031-225-1251. Traditional Scottish hotel. Very expensive and rather dark. Its chief claim to fame is its wonderfully central position and its respectable establishment air. **Prestonfield House, Prestonfield Road.** Tel. 031-668-3346. Just outside Edinburgh, it's the place to go when you want to be cosseted. Baronial grandeur, set in its own parkland.

POPULAR prejudice, for those who haven't ventured North of the border, is that Glasgow is a grim Northern city, more notable for impenetrable accents, urban decay and dilapidated buildings than the sort of metropolitan charms that might tempt the wandering traveller.

In fact Glasgow has gone through an amazing renaissance in the 1980s. The Merchant City has been completely transformed; all those derelict and crumbling blocks of fine Victorian architecture have been lovingly restored. At last the city centre is coming alive again. The young and upwardly mobile are pouring into the restored flats and new housing developments.

Regular readers of the arts pages will need no reminding that there has been a huge cultural explosion in the city. Mayfest (May 1-2) is the second biggest international festival in Britain. The Mahabharata is playing to full houses. The Citizens' Theatre has one of the best theatre companies in Europe (don't take just my word for it, ask Michael Coveney). The Glasgow Boys, a group of young, thrusting painters (Steven Campbell, Adrian Wisniewski, Peter Howson) are currently the darlings of the New York art world. And if you want further confirmation of the vibrancy of the Glasgow art scene turn to page XXII where several of our art critics take a serious look at just some of the current events.

The Courthouse Fashion Centre is another part of the rebirth of the Old Merchant City. A joint venture between the Scottish Development Association, the District Council and private enterprise, it will make use of the old vacated Sheriff Court. It has a "B" listed 19th century interior and by 1990 (the year when Glasgow becomes European City of Culture, much to Edinburgh's chagrin) it will house shops, design studios, a costume museum, catwalks, library and what - rather ponderously referred to as a "resource centre".

Edinburgh may still be the city for the lovers of the old, the traditional, the gracious, but Glasgow is newer, brighter, the city for the style conscious. As one of Scotland's leading fashion journalists told me, "Glasgow is much more clothes conscious than Edinburgh and you can see someone walking about in £1,000 worth of clothing every 15 minutes."

There's a strong and flourishing sense of Glasgow style, which many of the young fashion designers are beginning to express in particularly vibrant form. As Anne Simpson, Chief Assistant Editor on the Glasgow Herald, put it in an introduction to a booklet on "Glasgow Style": "Style struts through the city, as brazen and beckoning as sin. Such self-regarding relish isn't new. Even in its grimmer moments this city has always known how to rise above the grotesque with exuberant wit. Today, a vivid and determined colony of home-grown designers have added another dimension to the Glaswegian's profligate delight in dressing up."

People like Lex McFadyen, Spencer Ralston (who worked with Jean Muir), Moira Withers,

Pod and Joyce, Lyndie McIntyre, Julie Blackwood, are all exciting and exhilarating indigenous talents. So exciting, indeed, is the current scene that this week's edition of The Clothes Show, focussed exclusively on the Glasgow fashion scene.

Glasgow has finally sloughed off its "no mean city" image. It buzzes with energy and excitement. There is a pulse beating away there. It is, say some, the New York of Britain.

Shopping centres

The Briggait, 72 Clyde Street. Open Monday to Saturdays from 9.30 - 5.30 pm, closed Tuesdays and open on Sundays from 11 am to 5 pm this is a place not to be missed. Here in a beautiful listed 19th century fish market is a collection of different shops selling presents, crafts, clothes and masses of young fashion shops.

Princes Square Shopping Centre. Just opposite Frasers in Buchanan Street is this new shopping centre, long-awaited by the locals. A vast and rather beautiful emporium designed around a mosaic courtyard on two floors with glass-fronted elevators and ornate wrought-iron balconies in Art Nouveau style. It is well worth a visit. Here Katharine Hammett has her only shop outside London. Whistles, too have just opened here, the first high class London retailer to come to the development. They are selling their own label as well as Lolita Lempicka, Georgina Godley, Myrene de Fromville.

Antiques

Glasgow doesn't have a lot to offer the dedicated antique hunter but there is one place where that is not to be missed. Sunday morning at The Barras in Glasgow's East End. Ask any Glaswegian where it is and he will probably lead you there himself. Huge warehouses and stalls are piled high with anything from real old tat to amazing bargains. Tales of bargains are legion. Somebody I met had bought a captain's sea-chest for £2.50 and a partner's desk for £3 and not years ago, either, in the past six months.

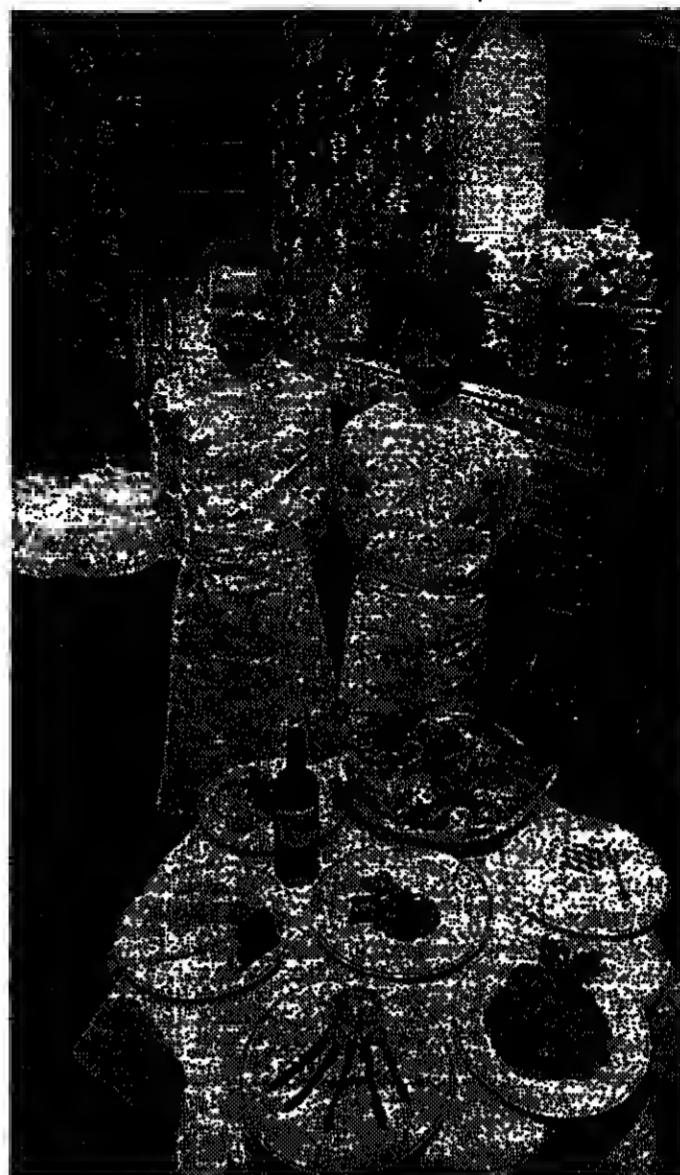
Victorian Village, 53-57 West Regent Street. Is worth a wander - a number of tiny shops sell everything from period clothing to silverware, Art Deco militaria, porcelain and other bric-a-brac.

Victorian Street. A collection of shops selling bric-a-brac, antiques and some clothes.

Fashion

The Warehouse, 61-65 Glasgow Street. Not to be confused with Jeff Banks' Warehouse Utility Clothing Company. All the top names like Jasper Conran, Jean-Paul Gaultier, James Leger, John Flett, Dries Van Noten, Timmy Fowler and Joseph's Four La Ville collection as well as Butler & Wilson jewelry.

Cruise Clothes, 172 Ingram Street. For men and women, clothes as elegant as they come. Sara Sturgeon, Elaine Challoner, English Eccentrics and Jane Stott. Amazing shirts for men.



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One Devonshire Gardens, Tel. 041-334-9494. Just eight bedrooms, this is for those who want nothing but the best. Deep, glowing Victorian colours and Victorian-style comfort to make you glow, too. Real, deep comfort.

Babbity Bowster, 18 Blackfriars Street. Tel. 041-552-5050. At the other end of the scale Babbity Bowster is a true Glaswegian inn, a very bustling pub/restaurant/hotel. Its comfortable and reasonably priced (about £25 for a double room room B & B).

Where to eat

There are some super food shops to whet the appetite - try Roach and Fruits at 457 Great Western Road. When it comes to eating out, there is a marvellous ethnic mix with lots of Pakistani and Indian influence around.

For Indian restaurants head for Gibson Street in the West End of the city where local journals from the BBC and academics from the university make up the regular clientele.

Shish Mahal, 45 Gibson Street. word has it, is the best with generous portions, delicious tandoori and reasonable prices.

One Devonshire Gardens, besides being a seductively opulent hotel, is a mecca for the city's foodies. Short, interesting menu with prices at about £27 for lunch, £50 for dinner.

Chimmy Chummas, in the Great Western Road, was made famous in the brilliant cult TV series Tutti Frutti (fans will remember that it was where Suzi Kettles alias Emma Thompson, worked as a cocktail waitress), and is still popular with trendies who wend their way there for the great Mexican food.

Ubiquitous Chip, Ashton Lane, off Byres Road, is famed for its excellent wine list, fine venison and steaks.

Loon Fung, 417 Sauchiehall Street. Authentic Chinese cuisine, Dim Sum a speciality. About £27 for two.

The Buttery, Argyle Street, for modern French-style food, beautifully prepared and skilfully presented. Lunch (table d'hôte) £11.50, à la carte, £50 - £55 for two.

Rogano, 11 Exchange Place. Famous fish restaurant recently restored to its original Art Deco splendour. Formal service and lots of pampering. Dinner, £50 - £55 for two. There is also an oyster bar and downstairs a less formal diner.

The Horseshoe Pub, Drury Lane, has the longest bar in Europe and the cheapest three-course lunches - £1.50 when last visited and very nourishing it was, too.

The Willow Tea Room, 217 Sauchiehall Street. Charles Rennie Mackintosh's winner of a tea room - real glamour here, all lilac and silver splendour. Lovely teas and coffee, croissants, crumpets, pancakes and toasted muffins.

Collections, 109 Candleriggs. Very smart, new interior design shop with furniture by David Murphy and much else for the home besides.

Need a haircut?

Glasgow boasts some hairdressers that really are world class.

Irvine Rusk, 49, West Nile Street. (Tel. 041 221 1472). Irvine and Rita Rusk are currently British Hairdressers of the Year, classy crimpers who bomb around the world spreading the Glasgow style gospel but whose well-trained stylists will give you a cut to conjure with.

Scrimshaw's, 3 Wilson Court, Wilson Street. (Tel. 041-552-5262). Lots of minimalist decor, zany style and absolutely up-to-the-minute cuts.

Free

Don't set foot outside without a copy of Glasgow for Free by Debra Shipley and Mary Peplow, published by Grafton, £2.50.

Inscape, 97-99 Great Western Road. Piles and piles of baskets and dried flowers of every conceivable kind, as well as pot-pourri and silk flowers.

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Motoring

Take a Seat — or two

ARE THE Scots as tight-fisted as tradition would have us believe? A friend tells how he was travelling from London to the far north of Scotland on his BMW motorcycle with a baggage trailer. On the Forth road bridge, near Edinburgh, he was charged a toll of 10p. But on the next, estimated crossing - the Dee, I suppose - 30p was demanded because of the trailer, although the bridge was nothing like so grand.

When asked why, the man in the toll booth replied: "The farther north you go, the meaner we get."

A true story? My friend, who is of Scottish descent, swears it is. But I reckon the Scots are just careful about how they spend their money. That applies particularly to things like cars which start to depreciate the moment you sign the cheque.

All of which suggests that the Seat Marbella, the latest import from Spain, is likely to get a warm welcome north of the border when it arrives in Britain on May 23. Few cars today are cheaper to buy or run. Exact prices will be announced nearer the day but I expect them to be at least 5 per cent below those of comparable Fiat Pandas.

That suggests a base 850L model price of about £3,800, with the 900GL costing between £4,150 and £4,200. This means the Marbella will undercut everything on the market except for the geriatrics from East Europe. Both models are in insurance group one.

The Marbella is really a Panda that speaks Spanish with a German accent. As a design, it is a hangover from the days when Seat was Fiat's subsidiary. But Volkswagen took over Seat and its engineers have reworked the little car.

"Now, we are either the Latins of the Volkswagen group or the Volkswagen of the Latins," said Seat managing director Juan Jose Diaz Ruiz at the launch of the right-hand drive Marbella in Madrid last week. "The car is Latin in looks but German in quality, reliability and performance."

Individually, the changes are small - things like modifications to the 848 cc and 903 cc engines to improve efficiency and reduce exhaust emission. Both will run on two-star fuel, the larger one can also use lead-free petrol.

The main difference between the two models is that the 850L has a four-speed gear-box while the 900GL includes the five-speed box from Seat's own-designed Ibiza.

Externally, they are the same, with plastic body protectors all round. The 900GL has a nicer inside and a rear-window wash/wipe. But even the 850L has twin exterior mirrors, two-speed wipers and reclining front seats.

Driving the Marbella was a refreshing change after all the multi-cylinder marvels stuffed with sophisticated electronics - a bit like having a ploughman's and a pint after too many banquets.

The main N4 road south of Madrid has all the charm of Scotland's M8 and nearly as many heavy lorries. But the 850L, its engine buzzing cheerfully, kept up easily with the stream. It showed just over 60 mph (100 km/h) on the speedometer in third and more than 80 mph (128 km/h) downhill in fourth.

Off the main highway, it belted nimbly up and down twisting hills and rode buoyantly on the rough bits. In the narrow streets of small towns - yes, we got lost, but of course I blame the map -

only a bicycle could have been handled.

The official figures suggest the 850L would give an owner about 40-45 mpg (7.06-6.2 litres/100km) in normal use. With its higher gearing, the five-speed 900GL would be slightly more economical, especially on the open road.

Having another five horsepower (40 against 35) the 900GL feels livelier, but anyone looking for a car to use as a shopping basket would be happy with the 850L. Five-speed gear-boxes mean nothing when your average trip is to the school or supermarket.

In fact, a four-speed box might even be preferred. The seats are quite comfortable, although I would have liked more rearward adjustment and the roof was too near my head if I sat upright. As the rear sill is low it should be easy to hump heavy things into the Marbella, and the load floor is flat.

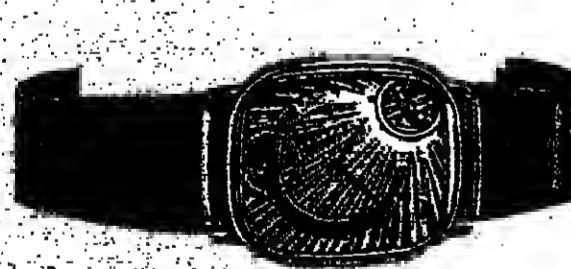
Who will buy it? Obviously, people with little money to spare who have become fed up with second-hand cars and want to start from scratch. But it could also appeal as a runabout for the retired because it is light to handle and would carry dogs, golf clubs or grandchildren.

In fact, anyone who wants a box on wheels that should give no trouble is a potential Marbella buyer. You could think of it as a three-door successor to the ultimate household hold-all, the Renault 4.

Future variants will include a higher-roofed van called the Terra that will be offered also with side windows and a back seat. And a Marbella with switchable four-wheel drive is a distinct possibility.

Stuart Marshall

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BOOKS

Anthony Curtis looks at two books on that most eccentric Scot, Robert Louis Stevenson

The laird of Samoa

ROBERT LOUIS STEVENSON: THE LANTERN BEARERS AND OTHER ESSAYS
edited by Jeremy Treglown.
Chatto & Windus. £18.95, 290 pages.
DEAD MAN'S CHEST: TRAVELS AFTER ROBERT LOUIS STEVENSON
by Nicholas Rankin. Faber & Faber. £14.95, 366 pages.

WRITING FICTION is a sedentary occupation pursued, unlike most jobs, in solitude. Robert Louis Stevenson succeeded in turning it into something else. If ever there was an example of the writer as a doer and a goer rather than a stay-at-home or a martyr to the cork-lined study (Flaubert, Proust, James) it was he. From Edinburgh to Bourne-mouth to the Cévennes, to San Francisco and to Monterey in California, to Hawaii and Samoa where he died, was the basic itinerary. An industrious invalid, a rooted expatriate, a bookish man-of-action, a poet who relished local politics, a scholar who avoided libraries, Stevenson was a fiery bundle of contradictions until he burnt himself out living the life of an eccentric Scottish laird among the tribesmen of Polynesia.

The local peasants were by no means his only company in his exile. Stevenson would act as host to visiting Americans like Henry Adams and John La Farge, he would hobnob with German officials and Catholic priests; he would involve himself in the internecine quarrels of the indig-

enous royals, and at the same time preside over his own family circle which he had brought along with him: his mother, his American wife Fanny, considerably his senior, her son Lloyd and daughter Belle who became his amanuensis when he was too weak to drive his pen, her young son Austin, and occasional transient relations who voyaged out to see them.

During those final years from 1890 to 1894 he wrote *The Beach of Falesá*, *The Ebb Tide*, *Catriona* (the sequel to *Kidnapped*) a history of Samoa, *The Wrecker* (with Lloyd), the unfinished *Weir of Hermiston* and various shorter tales and poems. In between he made extensive additions to his house; he hedged and ditched; pruned the weeds and planted cacao seeds; rode his horse Jack on long treks; explored the courses of the five surrounding rivers; learnt the native languages; played the fiddle with which he accompanied Belle on the piano, and diverted himself with chess and cards.

Stevenson was also a punctilious letter-writer and for the whole of the time he kept up a correspondence recording the chief events of his life and his literary labours with his mentor Sidney Colvin, the art-historian. In 1892 it occurred to Stevenson that "a man could make some kind of book out of it [his correspondence] without much trouble." He wrote Colvin promptly and in the posthumous *Valima Letters* a few years later. To savour the full range of Stevenson's non-fictional prose they

need to be read alongside Jeremy Treglown's new selection, *The Lantern Bearers And Other Essays*. In the letters we have the lark, bonhomous, spontaneous Stevenson exerting that power of anecdote with which he charmed his circle at the Saville Club when in London. To be sure, the essays are by no means devoid of humour, as is evident in the earliest printed here, *The Philosophy of Umbrellas* (1871), but they are set-places, intricately engineered constructions whose stately sentences take the strain of the writer's meaning with easy grace.

Treglown has wisely included those essays where Stevenson came to terms with writers with whom he felt a particular kinship, Peppys, Burns, Whitman, and he gives us, too, Stevenson's attempt to unsmear a male chauvinist reputation in John Knox and his relation to the Reverend Dr Hyde of Honolulu. The Father was a Catholic priest of the Belgian origin who had worked among lepers (as they were then known)



Robert Louis Stevenson: fiery energy

in Honolulu for 16 years, finally dying of the disease himself. Stevenson had visited the Father in the colony and had been incensed to read a vicious obituary of him in an Australian paper written by a Presbyterian minister with, strangely, the same name as his own fictional villain. Stevenson's reply to the attack was a model of controlled indignation.

In his capacity for absorbing the exotic, Stevenson exhibited a way of life and working followed by many later novelists, not least Graham Greene who is a distant

cousin of his. In a book published last year, *Dead Man's Chest* Nicholas Rankin had the excellent notion of undertaking a series of journeys in the steps of Stevenson, visiting all the places where he had lived or stayed, unearthing any remaining traces of him still extant, and describing these regions as they are now. He visited, for instance, the museum at Father Damien's birthplace near Leuven and his grave in Kalawan. He went also along the Stevenson-Greene trail and discovered fresh evidence of the link between them.

James Buxton on the world of banking and insurance north of the border

Canny and cautious

THE SCOTTISH FINANCIAL SECTOR
by Paul Draper, Iain Smith, William Stewart and Neil Hood.
Edinburgh University Press.
£45.00, 347 pages.

IT WAS a Scotsman — William Paterson — who founded the Bank of England, and Scots invented the overdraft and pioneered the investment trust. Today in Edinburgh, and to a lesser extent Glasgow, the successors of these men run what is arguably the only genuine financial centre in Britain apart from London.

Scotland has its own banks, which this book says may sometimes lead with an eye to the greater long-term good of the Scottish economy than to short-term gain; it has an impressive life assurance sector, with names like Scottish Amicable and General Accident; and several independent investment managers. The Scots are proud of their past, their integrity and the detachment from the hurry-burry of the markets that their drawing rooms on Charlotte Square afford them.

But is it enough? Can Scotland survive as a financial centre in a world in which the pull of London becomes ever stronger, the Scottish economic base does not become conspicuously more robust and even London is facing more and more international

competition? The authors of this academic study, which goes into fine detail and economic analysis, are far from reassuring.

Scotland has its weaknesses as a financial centre. Unlike, for example, Zurich or Frankfurt, Scotland is, as they put it, "weak in the provision of markets for the trading of financial instruments." In other words, it has no markets at all apart from a branch of the Stock Exchange in Glasgow. Scotland has little involvement in the trading of futures, unlisted securities or options. Yet once there was even a stock exchange in Greenock.

Furthermore, although the Scottish banks may actually be more innovative than those in the south, the Bank of Scotland, for example, was the first British bank to introduce an electronic home banking system — they are not big enough to provide large companies with services of the same scale and comprehensiveness as their counterparts in the south or overseas.

The life assurance companies and fund managers are doing well now, and should profit from the revolution in pensions, but it should not be forgotten that they were very slow to go into unit trusts and unit-linked insurance. They are rarely as aggressive as some of their counterparts in the south. The many investment trusts run from Scotland may have a good investment record but the marketing of them is

poor, hampered not only by regulations restricting advertising but also, the authors imply, complacency.

In fact, in a thoughtful chapter on innovation the authors all at Strathclyde University, say that Scotland's recent record of devising new financial instruments has been patchy, and has been made more difficult by the drift of manpower to the south. While, they say, there may now be signs of resurgence, "these are as yet too few to be interpreted with anything but very guarded caution."

The Scottish financial community woke up to the need to co-ordinate and promote itself better when it felt threatened in the run-up to Big Bang in 1986. Virtually all its members came together to create an organisation called Scottish Financial Enterprise which has already made an impact in making Scotland better known as a provider of financial services. But it could probably do more.

The Scots now congratulate themselves on their wisdom in staying aloof from the mergers and malpractices by some of the institutions of the City of London that accompanied Big Bang. But the message of this book is that being careful is not enough: the Scots need somehow to lessen their caution with a bit more vigour. Perhaps an influx of refugees from the shakeout in the City is required.

Fiction

Such deadly innocence

THE FIFTH CHILD
by Doris Lessing. Jonathan Cape.
£5.95, 133 pages.
S by John Updike. André Deutsch.
£10.95, 244 pages.
The Shadow Bride
by Roy Heath. Collins. £11.50, 437 pages.
Summer's Lease
by John Mortimer. Viking. £11.95, 288 pages.

THE SMALL boy on the jacket of Doris Lessing's novel is far too attractive. The point about Ben, fifth child in an otherwise perfect family, is that he is never child-like, never has that unique sweetness, loveliness, vulnerability. Even in the womb he plunges and kicks, like the monster he is to become.

Having given their lives to achieving domestic happiness in a huge Victorian house, all tenderness and hospitality, where visiting families warm their hands at the glow of it, Harriet and David can do nothing with or for their terrifyingly strong, ice-eyed, unresponsive son, who kills the family dog and cat, chases birds, tries to kill his brother. Everything falls apart, children and visitors desert, the house is finally filled with Ben's hoodlum friends. Where is the happiness that seemed so easily found in simple, accessible forms? — in loved children, the garden, cooking, 30 at meals round the great table.

Realistically, it doesn't always work. As a tiny boy, Ben is "adopted" by a motor-biking gang and roars about the countryside with the roughly-kind boys. But no crash-helmet would fit a child that size and a four-year-old riding pillion — especially bare-headed — would be spotted in no time. And vast house parties at Christmas, Easter and throughout the sum-

mer, how does David's slim salary stretch to them, even if, as we are told, guests "help"?

Psychologically, it puzzles, too: is Ben (chilling, horrible, yet never certainly mad) irredeemably evil, or medically abnormal — autistic, hyperactive, low IQ? Or even just a misfit in that peculiarly perfect household, fate's revenge, as David suggests? In spite of unanswered (perhaps unanswerable) questions, it is still immensely readable and alarming — a sort of explosive ghost story in everyday, realistic dress.

People once complained that nothing ever happened to John Updike's characters except adultery; and with almost identical others, couples in the same place and social milieu, swapping partners at barbecues, picnics, school events. No longer. *S* is teeming with action, most of it bizarre; sums of money are mislaid, an American college girl marries a Dutchman. By Updike's standards, all this is odd enough; but noisier oddities, misappropriations, violence, fraud, disenchanted, huggings and black-mails are sprung on us with panache about every ten pages. The tale is told entirely in letters and a few tapes, from a single writer or speaker, S, or Sarah.

This is Updike at his wittiest, though he is never less than witty; and, although the narrative suffers inevitably from overwriting and self-conscious detail, since it has to fill in the background for us, while supposedly being aimed at those who already know it (husband, mother, daughter, etc), it none the less brings it off very neatly. While it all happens to Sarah, at the same time it happens through Sarah's pretensions and prejudices and reflects, in the telling, what happens or she would like to happen to the others (daughter and Dutchman, for instance).

In Roy Heath's novel Batta's mother comes as a bride from India to the large Indian colony in Guyana early in the century; and Batta, newly qualified as a doctor, returns there from Dublin in the 1930s to practice. On the personal level, the plot of *The Shadow Bride* deals with his mother's hatred of Batta's wife, Batta's goodness, the wife's docility, and final violence. On the wider level, the racial and even caste tensions in the Indian community which has kept all its rituals, religions, social habits and family ways to a very different landscape, a South American mixture of Asian, African and European.

This is a long, absorbing novel, satisfying and subtle, balancing the inner and the outer world of a couple both remote to us and familiar. Even in his use of a sort of pidgin English, spoken by the lower-class characters — notoriously hard to use — Roy Heath is skilful, likeable.

John Mortimer, by comparison,



Doris Lessing: creating a monster

is light-hearted, easy, amusing; *Summer's Lease*, an old-fashioned mystery story in form, with large, Molly Fargate, mother of three, a rather unlikely detective in a villa rented for three weeks near Siena, is full of gloriously recognisable descriptions, especially of the young and the ancient.

Observation of the English professional classes today, which Mortimer excels in, is at its usual high level. The rackety, the boring, the social-climbers, the footloose young, the terrible old journalist, the experts. Much recommended for holiday reading.

Isabel Quigly

Oh dear, oh Henry

THE SOAP LETTERS
by Henry Root. Michael O'Mara Books. £10.95.

DEAR HENRY ROOT. Remember the book we published seven years ago? You wrote a lot of strange and rude letters to famous people, printed their replies and made us all lots of money.

I've got an original idea. Why don't you do it again? We might have to use a slightly different angle this time. You could invent a ludicrous soap opera based on the "moral decline" of Britain during the past 20 years and invite all sorts of well-known names to take part. That way you can push forward the boundaries of satire by

attacking people who have never been attacked before like, er, Cecil Parkinson and Jeffrey Archer.

Some intelligent people, like Sir Ralph Halpern, will spot the joke. Some even more intelligent people, like Lord Hanson, will not bother to reply at all. But if we don't get many replies, we can pad out the book with bits of the imaginary soap opera script. It doesn't have to be very amusing, or very well written, because we can pretend that's all part of the joke.

Then, and this is really funny, you can write to lots of people whose jobs will require them to reply. Government departments, the Equal Opportunities Commission, theatrical agents who want to get their clients into a televi-

sion series, people like that. We can print their serious answers and then have a jolly good snigger at them for not getting the joke.

Stick a bit of stuff about your "black wit and devilry" in the publicity, give it a title like *The Soap Letters* to draw in unsuspecting East Enders viewers, price it at £9.95 and the punters will love it. With luck, the paperback will be out in time for Christmas, together with our other titles like *101 Uses for an Old Joke*.

What do you think? The usual 10 per cent for yourself, of course. Yours profitably, Megabucks and Hype, Publishers

Philip Coggan

A monumental tale

CAESARS OF THE WILDERNESS: COMPANY OF ADVENTURERS VOL. II
by Peter C. Newman. Viking. £14.95, 450 pages.

THE HUDSON'S Bay Company ranks only after the East India Company in terms of longevity and lasting impact on the outside world. Like its senior, this company has accumulated a wealth of archives from which its history may be written. Here is the second volume of Newman's monumental but lively story of all, so much of which has gone into the making of Western Canada. If it had not been for the company the probability is that it would have become part of the US.

The first part of the story is that of the attempts of the ill-fated, realistic Nor-Westers, based on Montreal, to break into the company's monopoly of the fur trade, based on the Bay. Much of it is a hair-raising tale of clashes, fights, murders — like any old Western film — amounting almost to guerrilla warfare in the wild. That period ended in a sensible merger, by which Hudson's Bay really took over its challenging junior.

Alongside this is the astonishing achievement, intrinsically more exciting, of exploration. We have reminders of this saga today in the names of great rivers, like the Mackenzie and the Fraser, so well brought to mind and eye by the foremost Canadian novelist, Hugh MacLennan, in his splendid book on them. It all amounts to an epic of intrepid Scots, particularly Highlanders. In 1783 Mackenzie traced the whole course of that river, one of the longest in the world, to its outlet in the Arctic. He was the first white to traverse the upper continent — 13 years before the far more publicised Lewis and Clark expedition, crossed by a more southerly route.

Four years later Mackenzie tracked the vertiginous course of the Fraser to its outlet in the Pacific. This forceful, refractory river with its cataracts and gorges through the Rockies, got its name from Simon Fraser, who dominated this Wild West for the next four decades. Another Scot, the Earl of Selkirk, set the pattern of settlement with his Red River colony, into which he put the whole of his fortune.

A third figure of importance was David Thompson, a Welsh-

man, who emerges as the finest geographer and surveyor, who mapped a great deal of the vast area, and left 30 volumes of journals, published only in our own time.

Eventually settlement took the place of the fur trade, which had dominated the previous two centuries — marked by the end of the company's monopoly of the vast interior in 1870. Canada has reason to be proud of the long co-operation with the Indians — such a contrast with south of the border.

The author concludes that the western provinces of Canada are the children of the Bay, as Ontario and Quebec are of the St Lawrence. Meanwhile the historic company adapted itself to new conditions, went in for successful diversification and turned its attention to a third empire, in the still vaster north. This will form the subject of a third volume. For a reader huddled in minute Cornwall, the scale of it all sears the imagination. So does the price — only £14.95 for a volume the size of a family bible, numerous illustrations, maps and all.

A.L. Rowse

A high-flying hippy

RICHARD BRANSON: THE INSIDE STORY
by Mick Brown. Michael Joseph. £12.95, 278 pages.

RICHARD BRANSON owes me £20. I don't suppose that I am the only creditor of one of the 10 richest men in the country, with a personal fortune nudging £200m, nor do I expect payment. He has cancelled the debt, which dates back 20 years to the time of his first business venture. Student magazine, by leading a picturesque life which has also been socially useful.

Mick Brown's biography is both critical and authorised, which means that you end up by admiring Branson while feeling rather sorry for him. He is the hyperactive child, the one who always ends up falling in the swimming pool and throwing head rolls in restaurants, but who, through his drive and inhibition, actually gets things done. It helped to have a pushy mother, a titled grandfather, a snobbish bank (Coutts) loyal friends and supreme confidence. As a fifth-former he was advising his headmaster at Stowe on how the tone of the place could be improved. Two years later, in 1967, he was the cook of a Connaught Square commune, which attempted to cash in on the blossoming youth culture.

Since then the progress has been remorseless, although with some spectacular setbacks — a whopping fine for purchase tax evasion, business failures such as *Event magazine*; a nasty divorce and at least two brushes with a watery death. Branson has turned out to be the child of the 1960s with the acquisitive philosophy of the 1980s. Students are obsessed with music; hence Virgin record stores. From there Virgin's fortune is actually based on the acumen of his associate Simon Draper, who recognised the potential in musician Mike Oldfield. His recording of "Tubu-

lar Bells" produced the first million pounds. Branson's own musical tastes have never developed much beyond Cliff Richard's "Bachelor Boy".

The Virgin Atlantic airline came through a chance approach from Randolph Fields, who had the idea but little money. Branson envisaged his record-clutching customers as keen travellers if the price was right, so, against the advice of his associates, he found the cash. All along he has provided the momentum while others have taken care of the detail.

Now Branson is only the director of a successfully launched public company. Hence the time to indulge in ballooning and pow-

er-boat racing and the campaign to halt AIDS. At 37 his career has somehow stopped. But he has his memories and what odd ones they are. He has helped to change the law — the Venereal Diseases Act; he has entertained the country with the two most bizarre musical acts of recent decades, The Sex Pistols and Boy George. He has been an imaginative entrepreneur while never shaking off his hippie roots, the innate feeling that life, unlike money, is not to be taken too seriously. With his cheap records, his cheap flights, and cheap jokes, Branson has more than repaid my £20.

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